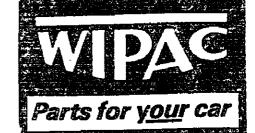
Thousands of East Germans use new crossings Kohl says 'we belong together'



**WORLD NEWS** 

#### Blue Arrow 11 bailed for £100,000

Eleven bankers, stockbrokers City of London.

They were accused of con-spiracy to defraud investors or potential investors in Blue Arrow, which had launched an unsuccessful rights issue in the autumn of 1987, by con-cealing a 19.39 per cent stake in the company. Page 24; The

**CEGB** chief to quit Lord Marshall is resigning as chairman of the Central Elec-tricity Generating Board and chairman-designate of postprivatisation group National Power. Report and Lex. Page

**Bush invites Shamb** US President George Bush

Papandreou bid Former Greek socialist premier Andreas Papandreou invited the Communist-led Left Alliance to join a coalition with his Pasok party after conservative leader Constantine Mitsotakis failed to form a Govern-

Solicitor jailed

Solicitor Christopher Farrow, 37, was jailed for four months at Bristol for helping defraud a building society by a ficti-

cancer victim was buried at

**BUSINESS SUMMARY** 

#### Equities end week with good gains

The UK equity market ended the week in fine form with share prices posting good gains. The FT-SE 100 share index added 15 to 2,216.7, extending the rise over the week to 43.6

Only two weeks ago the market was reeling in the after-math of "Grey Monday" and son as Chancellor. Since then, the index has risen 134.6, more than 6 per cent. Page 17

FERRANTI International Signal is to shed 400 jobs at Edinburgh-based Ferranti Defence Systems, one of its core businesses with 6.700 staff, through early retirement and recruitment cuts. Page 24

BRAZIL is investigating what is believed to be the country's biggest foreign exchange fraud involving the illegal transfer abroad of sums of about \$360m (£228m). Page 4

FRENCH drinks groups Cointreau and Pavis, which con-trols the Remy Martin cognac house, plan to merge to create a group with annual sales of around FF16bn (£600m). The merger does not appear to set-tie the 16-year-old family feud at Rémy Martin. Page 12

**MOUNTLEIGH: Institutions** with equity holdings in the property group have been engaged in talks on the possibility of inducing an offer of 200p a share from the two US businessmen who on Wednes-day bought the 22.5 per cent holding of then-chairman Tony Clegg for £70.4m. Page 10

FORD Motor Company's chairman Donald Petersen is retir-ing early and will be replaced by Harold Poling, his long-time vice chairman. Page 12 UNILEVER, the Anglo-Dutch consumer goods and food

group, announced a 10 per cen rise in third-quarter pre-tax profits to £427m. Page 10; Lex, Page 24

# Troops tear down Berlin Wall

poignant symbol of the divi-sion of Europe for 28 years.

The demolition began shortly after Chancellor Hel-mut Kohl of West Germany,

momentous days in Europe in

Yesterday, tens of thousands of East Germans streamed into

indefinitely, to assure its citizens that their new found free-

dom was permanent.

the post-war era.

and a lawyer facing criminal charges over the Blue Arrow affair were bailed for £100,000 each at Guildhall court in the

full charges, Page 6

24; Energy coverage, Page 6

invited Israeli Premier Vitzhak Shamir, who is making a pri-vate visit, to talk with him next week. Page 4

that during the night more than 50,000 East Berliners had crossed into West Berlin and of these only about 1,000 planned to stay. Lines of East Berliners waited at control points to enter West Berlin and border guards were rapidly handing out visas. These were required for those wanting only to visit. Most were obviously just visment. Page 4 iting rather emigrating, exulting in their sudden new free-

dom to travel to the other side of the wall. At eight o'clock last night two border guards started dis-mantling a section of the Wall Codillac burlel at Eberswalde Street, which is An Aurora, Indiana, woman due to open today as a new crossing point. Later, accord-

her own request in the back of her Cadillac convertible. Her husband bought 14 burial

opened yesterday between the two halves of the city is the one at Glienicke Bridge, famous as the scene of spy exchanges between Eastern and Western states.

Mr Hans Dietrich Genscher, West Germany's Foreign Minis-

ing to eyewitnesses, an army bulldozer arrived to clear away

sections of the 28-year old con-

Among other new crossings

west derinary's reveign similar ter, told huge crowds in West Berlin that 16 new crossings would be created in the Wall. Addressing both East and West Berliners who had gathered in the West, he said: "Dear fellow citizens, when the hour of freedom sounds in Europe all will say 'The Germans were

The US yesterday lauded East Germany's decision to lift travel restrictions as a first step towards greater freedoms, including open democratic elections, but coupled its wel-

EAST GERMAN troops last come with warnings against premature talk about reunifica-tion and about changes in relations between Nato and the

By John Lloyd in East Berlin and Peter Riddell in Washington

night started to tear down large sections of the Berlin Wall, which has been the most Warsaw Pact.

President George Bush has ordered US military units in West Germany to give "all possible assistance" to the Bonn Communication of the Bonn Technology of the Bonn Techno had told thousands of cheering Berliners that West and East Germany "are and will remain one nation and we belong together." He had interrupted his visit to Poland to fly to West Berlin on one of the most Government as it copes with refugees. However, he suggested that East Germans should stay at home to partici-

pate in the reforms.

The US is, however, in a rather uncomfortable position. Senior US officials want to guard against both building up excess expectations and alarm-ing the Soviet leadership with

provocative statements.

There is apprehension in Washington about the implications for the meeting in three weeks' time between President both West Berlin and West Germany, many of them for the first time in 30 years. East Germany confirmed that it had lifted all travel restrictions weeks time between Fresident
Bush and the President Mikhail Gorbachev, the Soviet
leader. This has been intended
as a meeting with no specific
agenda or decisions planned
but there is now concern that
the Soviet Union will seek to The West German radio sta-tion Sender Fries Berlin said introduce far-reaching Euro-pean security and arms control issue or seek US assistance for sue or seek US assistance for its reforms.

As the tumultuous scenes in West Berlin unfolded, the tur-moil in the East German Communist leadership continued. The ruling Politburo, which had been streamlined to 11 members two days ago, lost one more full member, Mr Hans-Joachim Boehme, a hardhard-liner, and also three non-voting members, Mr Johannes Chem-nitzer, Ms Inge Lange and Mr Werner Walde.

Mr Boehme, an associate of Mr Erich Honecker, the former East German leader, was sacked on Thursday as party chief in the southern city of

The Central Committee elected a new Polithuro on Wednesday but kept seven of Wednesday but kept seven of the old team among the 11 full and six candidate members. In another swipe at those in power, Mr Guenter Wendland, the prosecutor-general, called for a parliamentary investiga-tion of charges of official cor-runtion.

Ms Baerbel Bohley, a co-founder of the New Forum opposition group, said that the sudden opening of East Germany's western borders was a first serious step towards genushould follow.

Germany, Pages 2 and 3; Marching in the vanguard of history, Page 8; Editorial Com-ment, Page 8



# A time for tears and jubilation

By Leslie Colitt, David Goodhart and John Lioyd in Berlin

THE people of East and West Berlin were united yesterday, 28 years and three months after the Berlin Wall was built.

Germans poured into West Berlin on the most joyous and deeply moving day this city could remember.

They stormed West Berlin shortly-after midnight of Fri-day when East Germany abol-ished the red tape on its new travel regulations and let its

opie go. The Communist Government risked losing thousands more citizens. But it also stood a chance of winning over a pop-

All day long they emerged by the thousands from the

toric 12 minute train ride from East Berlin to West Berlin.

Most of them were younge than the wall and many had been in Prague, Budapest and Moscow but never in West Ber-

Moscow but never in West Berlin. They blinked in the sunshine and beamed even at the sight of the ugly concrete buildings surrounding the station. Across the wall, half of East Berlin appearerd to have taken the day off and tens of thousands queued happily and patiently at the crossing points into the West. Most were just popping over for a were just popping over for a few hours to see the place, do

some shopping, or see a friend.
One man said he was just going to buy some bananas (in short supply in East Berlin). A couple declared they were going over for a cup of coffee before returning to fetch their ulation which for the first westward.

going over for a cup of coffee before returning to fetch their son from school. underground and overground stations linking the two sides of the divided city after an his-West Berlin authorities stopped counting the number

of Kasterners who thronged the city and ADN, the official East German news agency spoke only of tens of thou-

> Huge crouds, including many young East Berliners, gathered at a rally organised by the Christian Democratic Party in the evening. Con-scious of their new freedom and mindful of Berlin's Social Democracic traditions, the young people from the East joined those from the West to massively boo the West Ger-man Chancellor, Mr Helmut

Earlier in the day East Berliners stood in long queues to receive the DM100 "welcome The full significance of the travel freedom announcem on the early evening news in East Berlin the previous night seemed to take some time to sink in and it was not until

after 8pm that small crowds began to gather on the eastern and western sides of the crossing points.
After some initial confusion

became clear that all East Berliners needed was a per-sonal identity card and they exold cross for 10 minutes or the rest of their lives. Then the party really got swinging.

With tears, songs and drink about 50,000 mainly young feet for discussion at the information of the party really got swinging. East Berliners began pouring mal summit between Mr in - mainly on foot, but some George Bush and Mr Mikhail with their Trabants - and in Gorbachev. the initial confusion several Mr Gerasimov said he was hundred West Berliners came not aware of any East German east. Other West Berliners took to their own streets. blocking them completely in he hoped that the decision to gathered around Trabants and hugged unknown fellow citi-

became friendly and docile -Continued on Page 24

#### Moscow opposes German unity

By Quentin Peci in Moscow

THE Soviet Union yesterday delivered a stern warning to West Germany against reopening the debate on reunification, while welcoming the decision by East Berlin to knock down the Berlin Wall.

The two-edged Soviet response, from the Foreign Ministry, made it clear that reunification could not be con-sidered as long as Europe

remained in two military blocs.
"Bonn should take into account the fact that policies aimed at redefining borders would not suit any government in Europe, and would only create mistrust," Mr Gennady Gerasimov, the Soviet spokes man, said.

"Politically, it is not the time now to talk about reunifica-tion. The two Germanys belong to different military blocs."
His forthright statement showed the real Soviet concern at the revival in hopes for reunification in West Ger-many. At the same time Mr Eduard Shevardnadze, the Soviet Foreign Minister, and Mr Gerasimov, made clear the broad Soviet support for the East German move.

"This was a reasonable and sensible decision," Mr Shevard-nadze said. "The new course in East Germany echoes the mood among the people of East Germany. It also corresponds to our own interests."

Mr Gerasimov, in a carefully-worded statement, said the decision to open the borders, including the Berlin Wall, was "a sovereign act of a sovereign republic." He said it was also a easure to stabilise the country's internal situation. The Soviet authorities have

expressed concern that the

request for economic assistance from Moscow. However, iden toe borders wol the mass emigration of young East Germans.

"Now that the border is The East Berlin police open, I think the number who ecame friendly and docile – are crossing will decrease," he

# Genscher stresses that Europe should not fear the open door

By David Goodhart in Berlin

MR Hans-Dietrich Genscher, the West German Foreign Minister, declared to a noisy 20,000-strong rally in West Berlin: "Forty years of division have not created two nations; there is not a socialist Germany and a capitalist one, only a free and peaceful Germany." He stressed that no people in Europe should fear the opening of the door between East an West Germany and repeated Germany's renunciation of any claim to Polish territory – which attracted the loudest cheer of the evening from the

Chancellor Helmut Kohl, who has broken off his visit to Poland to fly to Berlin, was whistled down by left-wing West Berliners in the crowd. He said it was a great day in German history. "We are and will remain one nation, we belong together," he said. He thanked the Western

powers, with continuing responsibility for West Berlin - the UK, US and France - for their "support and solidarity" and also the Soviet leader,

Mr Mikhail Gorbachev, for releasing the spirit of change in Eastern Europe.

Mr Kohl also repeated his call for free trade unions, par-ties and elections in East Germany, and his offer of substantial support in the event of change. Today he will chair an emergency sitting of the West German Cabinet and then return to Warsaw.

The two main Social Demo-crat speakers — Mr Willy Brandt, the West Berlin mayor in 1961 when the Wall was built, and Mr Walter Momper, the current mayor - were far more cautious about reunifica-

Mr Brandt said nobody knew how two free Germanys would decide on the question of unity. He also suggested that a pièce of the Wall should remain standing forever as a memorial to inhumanity. Mr Momper said the Germans were yesterday the happiest people in the world.

At the end of the rally the German national anthem was sung by most of the platform

speakers and part of the crowd, with the other part raising the volume of their hostile whis-

The number of people actually leaving East Germany fell yesterday but politicians in West Germany continued to concentrate on how to deal with the recent inflow. Mr Wolfgang Schauble, the Interior Minister, said more temporary places were still urgently

Mrs Dorothy Wilms, the Minister of Inner German Rela-tions, welcomed the opening of the borders but said West Germans were still not free to travel into East Germany and also said travel freedom was no substitute for inner reform.

Mrs Ingrid Stahmer, the West Berlin Minister for Social Services, said she welcomed the visitors from East Berlin and announced that they could pick up their visit money of DM100M provided by the Federal Government from most retail banking outlets. Events in Berlin encourage new perspective, Page 15

#### Bulgaria's hardline leader quits

By Judy Dempsey in Vienna

BULGARIA'S party leader stepped down from power yes-terday during a hastily con-vened central committee ple-

It is unclear if Mr Todor Zhivkov, leader for 35 years and Eastern Europe's longest serving communist chief, was "persuaded to go" by the Soviet Union.

Mr Mikhail Gorbachev, the

Soviet leader, has insisted that each country pursue reforms in its own way, but it is widely believed that Moscow was unhappy with a number of decisions made by Mr Zhivkov, 78, and his old allies in the ruling politburo.

BTA, the state-controlled news agency gave no reasons for the resignation, announc-Given Mr Mladenov's poor

ing only that Mr Petar Mlad-enov, the 53-year-old Foreign Minister, will succeed him. health, however, it is widely expected that he will not hold the post for long. The polit-Continued on Page 24

# Remember when high tech meant big tech?

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#### MARKETS

STERLING New York h \$1.576 \$1.5755 (1.5865) DM2.9375 (2.9325) FFr9.955 (9.9425) SFr2.5625 (2.5725) Y226 (225.50) £ index 89.0 (same) COLD

FFr6.315 (6.2675) SFr1.6375 (1.621) Y143.35 (142.80) \$ index 69.9 (69.6) US LUNCHTIME RATES Fed Funds 826%

SFr1.6425 Y143.445 London: DM1.863 (1.848) Tokyo close: Y142,75 3-mo Treasury Bills: yield: 7.971% Long Bood: 102<sup>1</sup>2 yield: 7.898%

New York lus DM1.8865 FFr6.3235

FT Ord 1,773.0 (+8.7) FT-A All-Sha 1,114.66 (+0.5%) New York tune DJ Ind. Av. 2,619.47 (+15.78) S&P Comp 338.17 (+1.6)Tokyo: Nikkel 35,663.20 (+5.78) LONDON MOREY 3-month interbank: closing 1532% (15) Liffe long gilt futur Dec 92 & (92 %)

STOCK INDICES 2,216.7 (+ 15.0)

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WeekendFT THATCHERISM AND LAWSON'S

LEGACY They parted in bitterness. But after 15 years of close collaboration, the judgment of history will weigh Nigel Lawson's reputation in the balance

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Austria Sch22; Sehrein Din0.700; Sermede \$1.50; Belgium SFr50; Canada C31.00; Cyprus C20.90; Denmark DKr10.00; Egypt E3.22; Fintend Fmk7.00; France FF77.00; Germany DM2.90; Greece Dr150; Hong Kong HK\$12; Iceland KR125; India Rup15; Indonesia Rp3.100; Ireland ED.50; tarsel NS3.50; Isby L2000; Jepen Y800; Jordan Fitch.00; Kutwalt Fits.500; Lebanon DL40, Luxambourg LF75; Matayata Rin4.25; Matta 40;; Martico Pes300; Morrocco Dit-0.0; Netterlands FR3.00; Norway Netrol.00; Portugal Esci-40; S.Arabia Ris7.00; Singapore S84.10; Spain Pha145; Sr1 Lanka Rup30; Sweden SK/10.00; Switzerland SFr2.40; Talwan NTSSS; Thailand Sht50; Turkis Din0.909; Turkis L1200; UAE Dn7.00; USA \$1.00.

New York: Comex Dec \$388.6 (389)

\$385.25 (387.25) N SEA OIL (Argus) Brent :5-day Dec \$19.125 (+0.10)

Chief price change yesterday: Page 24

SELLING PRICE IN IRELAND 60p. IN MALTA 40c

# A rush of events whose sequels are not yet clear

From proletarian orthodoxy to bourgeoisification in a month - but where will reform lead next? John Lloyd speculates

HE dramatically different outcomes of crises are often separated, at some stage in their preparation, by a very thin

There is a well-founded rumour here, repeated on the streets and spoken of by West Germans with high East German Communist con-tacts, that during the last days of Erich Honecker's rule last month. the leadership gave serious consideration to a "Tiananmen Square" solution: the savage clearing of the streets once Mikhail Gorbachev had

The army commanders were alerted: the hospitals cleared. But, so the rumour has it, the Soviet military commander objected - and with nearly 400,000 troops at his disposal, that was some objection.

You can imagine how these scenes would have looked on the screens of the global village. Instead, we have had other scenes: of tearful reunions at Checkpoint Charlie; of grinning East Germans in their Trabants (cruelly exposed by all of this publicity as the worst cars in the world); of easterners clambering up the wall by the Bran-denburg Gate for a night out in the

WORLD **REACTION** 

#### Concern or silence from allies

FOR some countries with close ties to the Soviet bloc, yesterday's events were not a matter for celebration, but for con-

Poland said that Europe needed guarantees that a reunified, powerful new state of Germany would not threaten the continent's secu-

said Poland was "very happy" that East Germany had opened its borders and Warsaw recognised that all nations, including the Germans, had a right to determine their own fate. But she listed conditions for unity, including the agreement of the post-Second World War occupying powers in the Germanys - the US, Britain, France and the Soviet Union and the permanence of the Oder-Neisse frontier between East Germany and

There was no immediate comment from China, which its solidarity with the besieged East German leadership.

The Nicaraguan government, which has close politi-cal, economic and military ties with East Germany, has reacted cautiously to the changes taking place.

A new trade and economic co-operation agreement between the two countries was being signed in Managua this week just as the government in East Berlin resigned en

According to the East German ambassador to Nicaragua, however, bilateral relations will not be affected and East German economic aid wili con-

In Cuba, one of the last unreformed countries within the Soviet bloc. newspapers reported the events in East Germany without comment, giving more prominence to the Women's Volleyball World Cup matches.

In comments earlier this week. Fidel Castro, Cuba's president, said: "We are witnessing sad things in other socialist countries, very sad things.... We are astonished at the phenomenon that we see ... I think this is the moment to speak ... what

MILITARY ALLIANCES

West, and their kith and kin abselling down for a few hours in the

At 3am yesterday I stood on that forbidden part of the earth - the semi-circle between the gate and the wall, where to stand only days ago was to invite certain target practice – and watched the young West Germans packed on the walltop ululating down: heard a man below the wall named Gert Teiler say, with a broad grin, to a police captain, "At last I can see my Brandenburg from this side."

The border is down: at least for now. The fevered manoeuvrings of the East German leadership, which has for the past week dropped world-historical changes casually into the maw of the press every evening, are still ambiguous. But at least formally, it is now on a reformist path, beaten along it by an aroused civil society. Another perhaps the greatest - crack has opened up in a bloc which is hardly any longer that.

If the new path continues to be trod, then East Germany will join Poland, Hungary, Yugoslavia and the Soviet Union on their different rocky roads out of totalitarianism. And following, hotfoot it appears, will be Bulgaria, now that Todor Zhivkov, Eastern Europe's longest-serving hardline leader, has gone. Indeed, if it now embraces politi-

cal pluralism, as on an optimistic reading its leadership has, East Ger-many will join Poland and Hungary in putting pressure on the Soviets to take the step Mr Gorbachev has so far refused to countenance -that which ends the party's leading role, and ushers in a multi-party state. What a transformation that is for Berlin, from drag-anchor of pro-letarian orthodoxy to the bourgeo-isification via the Brandenburg Gate. In a month!

This leaves, now terribly exposed, the socialist republic of Czechoslovakia: still run by men who did well out of the Soviet invasion of 1968, and who caunot bear the light of reform to shine upon them — yet swept with rumours too (in the West German Bild am Sonntag) that the Czech party leader Milos Jakes could soon be replaced by the Pra-gue party leader Miroslav Stepan,

Its streets have not yet been flooded with the masses, as have those of Dresden, Leipzig and East

Berlin: the demonstrations in waits for a constitution and for a Prague have been swiftly put down. But will it in short order prove to be domino, and fall before the tumbling over of East Germany — which was, after all, just as tightly run, just as comfortably off, as Czechoslovakia is?

This rush of events can carry all before it in a jumble of images and statements, pious and heartfelt. Behind them, though, is a mass of business not merely unfinished but rather only just begun, Reform, it is worth reflecting, has no firm constitutional base anywhere in Eastern
Europe. Indeed, the images of the
dancing youths on the wall express
not just freedom but fragility — the
fragility of a process rushed in in
whose consequences are not clean

whose consequences are not clear ...

They are not clear here in East
Germany, for sure, being drowned
rather than given clear expression
by the torrent of ambiguities which has poured out from the East German leadership this week. They are not clear in Poland, where a constitution still has to be cemented into place and a party system developed — all on top of a gathering and fearful economic crisis. They are not clear in Hungary, which also

popularly elected government.

They are certainly not clear in Yugoslavia, where one party still claims to rule with enough force left to accuse enemies of "counter-revolution" but without enough to ather the country for an assault on inflation and unemployment. And they are murkiest of all in the Soviet Union, where Mikhail Gorba-chev is more than any other figure due thanks for casting off an empire, but is unable to find equi-librium at home, and may have to wait for gratitude from history,

rather than his own people.
Under it all, the economic foundations which determine all else, as Karl Marx insisted, are creaking like buckling pit props — and no one knows what to do about it. The veteran West German scholar of eastern Rurope, Peter Knirsch, has pointed out recently in seminars in Hungary and conversations in East Germany that there is no "third way" between a plan and the mar-ket and that, though all market economies have greater or smaller elements of planning, a giant step must be taken out of total planning before a new balance can be struck.

But, he says, "No one has been trained to do it, no one knows what it will look like; the economists usu-ally have vested interests to protect; and the West's help, so far offered.

is marginal."
We thus see in Eastern Europe we thus see in Eastern Europe deficits much more dangerous than the budget ones with which most are saddled. There is a deficit of political stability, a deficit of economic security, a deficit of financial and commercial knowledge, perhaps even a deficit of governing will.

All of these states, after all, are or have just been "workers' states".

have just been "workers' states", and that cannot be dismissed. It has meant that the working class has been privileged in some things: in ideology of course, not always a negligible thing to them; in wages compared to doctors, researchers and teachers; and in jobs which, if stultifying, were easy because no one cracked the whip.

The new powers, or the old powers with new programmes, must if they take up "the market" disman-tle the complex formal and informal networks which bound the workers to the system and which gave them the older ones who can all over Eastern Europe remember chaos

and starvation are grateful still for this - some security and a certain kind of freedom.

The pancity of middle-aged and elderly participants in the Festival of the Breaching of the Wall exists not only because the young are careless of their sleep and their safety. "I don't know whats's going on, it's unbelievable," said a solitary elderly man, interviewed early yesterday morning by a frantic West German TV reporter.

The reporter treated it as yet another cry of joy, the theme to which his programme (running all day under the title "Open Border") was dedicated. But the old man wasn't looking joyful: he looked puzzled, one might almost say lost.
The Berlin Wall is a little over 28 years old. It had come to be seen as a fixture: as the division of the Germanys, with the reunification alternative not to be spoken of in polite society. Now, convulsively and ran-cously, it seems to be down in all but structure: it brings freedom. which cannot fail to move us: but it brings with it freedom's terrifying responsibilities and risks, which now press down on "East" and "West", demanding we rise to them.

#### **6** A GLIMPSE OF THE WEST

# Sightseers who were going home to fight for change

EAST GERMANS streamed across the border with the West yesterday, using their new-found freedom to see for themselves just what life in the capitalist half of the divided

country was like.
At Herleshausen, in the centre of Germany, the motorway from the East was crowded with cars stretching back for several kilometres. West German police said that up to 200 cars were crossing an hour, mostly for brief stays before returning home.

"It's a funny feeling," said Mr Udo Hinz, 31, as he sat at the wheel of his 30-year old rusting black-and-orange Wart-burg vehicle. "It's a bit overpowering, when you see what they've got in the shops there." Like others waiting to go hack at this autobahn crossing, not far from Eisenach, in East Germany, Udo was glad that the opportunity to travel to the West just by showing an iden-

tity card was now there.

But things would have to change in his own country. 'People are not keepu any more. The stone has started rolling. Things can't just fall back as they were, with all the problems being covered up and glossed over." Udo works as an agricultural engineer in an 80-man company. He earns upwards of

Helmstedt:

NETHERLANDS

BELGIUM (

100 mões

7,000 East German:

crossed at a rate of 800 an hour

Duderstadt

900 cross in the first eight hours of Friday

WEST

**GERMANY** 

Bonn

Frankfurt

month, depending on the season and overtime. "What you can buy in the shops is very limited," he said of conditions in East Germany. "You have to queue up all the time, espe-cially for meat." He had brought back some bananas, which are not always available in Eisenach, for his

Also impressed with his brief visit to the West was Mr Thomas Körner, 34, a textile worker. "I wanted to see if it was true what people said about life over here. The friendliness of the people and

the cleanliness of the place was overpowering." But having seen the nearby town of Bad Hersfeld, in West Germany, he had no illusions Germany, he had no limitions about staying. "We have to fight, we can't just run away.

"The most important thing is free elections," he said, in response to the suddenly rapid pace of political change in East. Berlin. "More parties should be allowed a real chance of power

and not just the SED (Socialist Unity Party). He now saw hope that things would change. With free elec-tions, Mr Egon Krenz - widely seen in East Germany as a representative of the old regime would no longer be number one politically. He also puts faith in Mr Hans Modrow, the new Prime Minister.

**EAST** 

GERMANY

Halle 🗨 Leipzig

Berlin &

O

CZECHOSLOVAKIA

. . . **4**5

POLAND

Berlin

Economically, too, huge improvements were needed. "My company has 300 employ-ees. It needs to be run by proper experienced managers, not just by people in good standing with the party. Conditions are bad and we can't

always get good material."

For people like Udo and
Thomas, change will have to
come fairly quickly, if their
faith in East Germany is to be confirmed. Both hoped visible improvements would occur in

For Brigitte and Manfred Glock, both in their fifties, this first-ever visit to West Germany, where they have no rel-atives, was an event. But changes would have to come back home. "It's good that the border has been opened but we still want free elections and more things to buy," said Bri-

On the motorway coming back into the West, there was a long line of vehicles. Most driv-ers said they only wanted to look at the West Germany they

about.
"It's tempting to stay, but we can't just leave everything behind," said Mr Peter Fiege, 29, a lorry driver, over for the day with his wife and three children. "It looks like a real revolution is taking place

Over 50,000 had crossed to

the West by Friday lunch



first rolls of barbed wire were strung out across the street by factory militiamen on the morning of August 13 1961. Only months later did the Wall begin to rise. But it was

clear that the final and total division of Germany had taken place - so I thought.
The city then was wracked by personal tragedies which Berliners accepted as the price Germany still had to pay for Adolf Hitler. But most East Berliners dutifully turned up for work early the next morn-

One of the thousands of Easterners who had spent August 12, a Saturday, in West Berlin was a relation of mine. The city was politically divided but physically still one. She was with her West Berlin husband, waiting for their new flat in the West to be finished before she

When they heard the radio report that East Germans henceforth would get "appro-

Berlin, remembers the feeling of finality when the Wall was built

priate documents" to visit the West, she trustingly went back to East Berlin on August 13. Along with thousands of others she did not get out again until years later. Yesterday, the sons and daughters of our generation came rushing toward me at Bornholmer Strasse. But they reacted differently from their parents to the first official word on Thursday from the East German government, couched in convoluted Prussian bureaucratese, that travel

forms.
They simply walked toward the border and lo and behold it was open, 28 years and three months after it had been

closed for their parents.

would be allowed to the West

after submitting the necessary

would take eight days to process. They protested and, after a few phone calls to police headquarters, were told they could simply cross over.

An entire ideological system built on regimentation had collapsed, 40 years after it was erected on the ruins of East Germany. Up to 10.800 Rest

Germany. Up to 10,000 East Germans a day fled from it in the weeks before the Wall was built. Those who remained behind were adaptable and submissive. Many co-operated with the authorities. The GDR promised them it would pro-vide what Germans had always sought: stability, secu-rity and Heimat – their native land. But West Germany was

excluded from this Reimat. The human misery and mis-guided energies of the last 28 years could have been avoided. The late Walter Ulbricht, instead of building a Wali (construction supervised by the recently deposed Mr Erich Honecker), might have launched sweeping reforms which would quickly have taken root in East Germany.

"We missed the boat 30 years ago," a 50-year-old East Berliner, Mr Siegfried Deichsel, said yesterday while vis-iting West Berlin. His father was a party "comrade" of the old school, who regarded Mr Egon Krenz, the new leader, as The son was standing near a

West Berlin queue of thou-sands of fellow East Rerliners waiting to collect their DM100 "welcome money" courtesy of the Bonn government. He and the easterners in the queue were aware of the moral and

economic morass their leader-ship had left them in.
"We work just as hard as people here and have to take their band-outs," a young East Berlin machine toolmaker said waiting for his money.

Most of the East Berliners

who thronged West Berlin yesterday were setting foot in it for the first time. In their enthusiasm few realised that enthusiasm few realised that an entire epoch had ended. The contours of the new era were fast taking shape at Bahnhof Zoo and Kurfurstendamm, where East and West Berliners mingled as one.

This mangled and fractured city of Berlin was rejoined and reborn yesterday. West Berlin could no longer remain the West's most highly-subsidised

West's most highly-subsidised symbol and an economic back-water of West Germany. Nor could East Berlin merely remain the capital of a politically and economically mutilated system. Inevitably, the two halves were destined to draw ever-closer in coming years, pulling the two Ger-manys together with them.

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# Nato ponders an 'earthquake'

By David White, Defence Correspondent

"THE GEOPOLITICAL equivalent of an earthquake," was how Mr François Heisbourg, director of the International Institute for Strategic Studies, yesterday described the fast-moving events in East Germany. The opening of frontier crossings to East Germans, and increasing speculation about the future of the border itself, raise a series of brain-

whose own front line the German As the idea of German reunification becomes daily less implausible, Western military thinkers are still unable to fathom the implications for both the Warsaw Pact and their

teasing questions for Nato allies.

own alliance. "We have all been sitting on a San Andreas Fault for 40 years (since Nato's foundation)." Mr Heisbourg said. "We always knew it was going to move but we did not know when. at what point or at what intensity." The central front in Germany, on either side of which the two alliances have massive concentrations of forces, is the heart of Nato mili-

tary strategy. West Germany has 494,000 of its own troops and some 400,000 allied troops on its soil. East Germany. before reductions, had 173,000 of its own and 380,000 Soviet troops, in an

area less than half the size of its Western neighbour. Current Soviet withdrawal plans, which include four out of 11 tank divisions, will however be stepped up considerably if the Vienna conventional arms reduction talks succeed.

Nato top brass stick to a cautious line about changes to the East. "Crumbling empires always tend to be dangerous," a high-ranking British officer warned. Mr Heisbourg sald that in spite of

the momentous change, Nato was "pretty earthquake-proof". In the so-called Harmel report, a fundamental Nato policy statement drawn up in 1967 and setting out the

twin goals of military strength and the pursuit of détente, one of the prime declared aims was "to overcome the division of Germany". Although this position has up to now been treated as little more than rhetoric, the policy states that "no final and stable settlement in Europe is possible without a solution of the German question which lies at the

heart of present tensions in Europe". Mr Heisbourg said that the dilemma was much more complex for Moscow. Could the Soviet Union now stand physically in the way of what the East Germans might choose to do?

He saw Nato resting on firmer ground than the Warsaw Pact, with a more intricate set of institutions and clear mutual interests. There would be a continuing need for it as between the US and an increasingly integrated Europe.
West German officials pointed out

that, despite the lure of reunification, opinion polls in the country continued to show overwhelming support for the Nato alliance.

However, Western analysts recognise see Nato facing a difficult period of adaptation, with a sharp reduction of emphasis on its military side. This has already begun with planning for a Vienna arms agree-ment. The Nato summit in May. although dominated by an internal nuclear policy row, endorsed a document moving it significantly further into areas of East-West co-operation. At the same time, President George Bush's proposal of a 10 per cent US troop cut in Europe, pegged to Soviet willingness to reduce forces stationed in Eastern Europe, set the stage for further reductions. However, Mr Heisbourg predicted

that some foreign forces would

remain in the Germanys as the two

countries worked towards some form

ECONOMIC EFFECTS

#### Pool of manpower is drying up MANY OF the tens of thousands of ture statistics are to be compared

By Leslie Colitt

East

A km

young East Berliners and East Germans who jammed the streets of West Berlin yesterday simply took off from work for a day.

But their state employers had no way of knowing for certain whether

they would return to work on Monday. They feared they were lost for East Germany, like the more than 200,000 citizens who have left thus far this year. Most of the visitors to West Berlin, though, simply took off from work

for a day to discover the West. Their factories and offices will be grateful, as high absenteeism is one of East Germany's least pressing problems From the largest factories, employ-

ing tens of thousands of workers, to the missing private baker down the street, the East German economy has been hit by an exodus not seen since before the Wall was built in August 1961. Employees in one department of East Berlin's electricworks said 12 out of 40 workers had fled to the West in recent weeks. An East Berlin construction engineer said his state company had lost

500 workers to the West this year. Most of the people who have left are between 20 and 40, the state's most productive workers. The deparwith nearly 5m East Germans in this age bracket and not the total popula-tion of 16.6m. Worse, the number of East Germans under 25 is shrinking, thanks to the birth control pill. Even fewer young people will enter the labour force in the future.

From East Berlin's Unter den Lin-den boulevard to Kirchplatz in the Saxon town of Dippoldiswalde in Saxony, shop doors are bolted early or never open because of "illness", which more often than not masks a lack of staff due to the exodus.

Everywhere, older East German workers complain that they have to do the work of two and three people now in the West, but for the same Without its remarkably loyal and disciplined older generation, East Germany would be in far worse condition.

More than 1,100 doctors and nurses in East Berlin left for the West. But that was last week's statistic. Even unemployment benefits in West Germany bring them more than they would earn in the East. Wages of nurses and other medical personnel are to be raised, but the increase is too little and comes too

in Leipzig, which has been espe-cially hard hit by the exodus, sol-

diers are being used as tram, bus and ambulance drivers and are delivering supplies to state food stores. Third-year medical students are put to work in hospitals and students of the Retail Trade School are filling in for shop assistants who departed for the West. Desk workers in state offices are manning the breach. In Karl-Marx-Stadt, 40 Vietnamese

Gastarbeiter are being readied for work in meat processing plants. They are among the nearly 90,000 foreign workers employed in East Germany. The East German news agency ADN said many young Poles had applied to work in East Germany and were being considered.

The huge gaps left in manpower

are being discussed in the official media but nothing is said about the untapped reserves. Nearly half a million people work in administration for the East German Communist Party, the state trade union FDGB. the FDJ Communist Youth Organi-sation and the State Security Service, not to speak of the border troops and the regular army. Many East Germans note bitterly that the country is not suffering so much from a labour shortage as it is from an unproductive corps of pencil-pushers and superfluous internal

and external security troops.

#### GERMANY

**THE SOVIET UNION** 

# Kremlin agog at pace of change

THE most remarkable thing about the Soviet reaction to the upheaval in East Germany is the brave face they are put-ting on it. The doubts are well buried, but they still exist.

To be sure, they have been playing down the sheer scale of the events, the numbers of emigrants, and the size of the continuing demonstrations.
There has been faithful reporting of the decimation of the Communist Party leadership, but a casual Soviet observer might be a bit baffled as to why there should be quite such political turmoil, because he has been left in the dark about

the scale of civil unrest. On the other hand, the Soviet leadership has clearly not been taken aback by the direction of the changes, but only by the sheer pace at which they have happened. Mr. Mikhail Gorbachev undoubtedly did conspire, by

one subtle means or another, to ease Mr Erich Honecker out in spite of all his protestations that decisions about East Germany must be taken in East Berlin. When he dropped in for the 40th anniversary celebrations in October, he left no doubt at all about his belief in reform of the system. Mr Honecker had become a

serious irritant to the Soviet

THE WESTERN ALLIES

leadership, as an articulate exponent of reactionary communism, from the basis of an economic performance far more impressive than the Soviet Union's own muddled efforts. His relative success represented an uncomfortable model for the Soviet leader's opponents in Moscow.

Now, however, Mr Gorba-chev must live with Mr Egon Krenz, although he may not find him an instinctive reformer. "They have to make the best of him, because he is the only Communist Party leader they are left with," according to a Western diplo-

mat in Moscow.

That is why the Soviet leader has made so much of ringing up his new East German counterpart within hours of his appointment, and giving

him a big reception in Moscow
within two weeks of it.
Mr Gennady Gerasimov, the
Soviet spokesman, made no
bones about it yesterday.
"Comrade Krenz raised relations (between the GDR and the USSR) to a new level," he said. "We completely endorse this statement by Comrade

have been made some time ago. At that time, many leaders of the GDR adopted a hesitating and negative stand. The desirability of radical change in the East German leadership has therefore been accepted in Moscow for some time. Again, the change has to have a brave face put upon it. "It is not socialism that is in agony, but its totalitarian, Stalinist model," says Mr Yevgeny Ambartsumov, a leading politi-

cal commentator.

The Soviet leadership has also accepted another inevitable consequence of its own policies: that the disarmament process in Europe must and should lead to the dismantling of the Iron Curtain, in all its forms, across the European divide. Thus Mr Gorbachev knew the Berlin Wall would have to go. It had become nothing more than an embarrassing symbol of Socialist incompe-

Yet he could not say so as long as Mr Erich Honecker was around. Nor could he say so until a successor was ready to move, And nor, it would seem certain, was he really ready for it to happen just yet. Events have overtaken the theorists and analysts.
Now the greatest Soviet con-

cern is to keep the whole pro-cess within manageable limits. Reunification talk, the spokes-men say, is dangerously unrealistic as long as the European divide, both military and ideo-logical, still exists. The direct, geographical

OLIVETTI OFFICE

threat to Soviet security is being played down, although not entirely. It cannot be dis-missed, as long as the GDR is the base for more than 300,000

Soviet troops.
"Of course, the geopolitical interests and the influence of the Soviet Union remain an objective factor," Mr Ambartsumov argues, after praising the broader process of East European change as the "radical renovation of socialism". "One may count on a gradual dismantling of the (Warsaw) military alliance, but without question, only given a similar evolution in Nato.

While not refusing to discuss the question of a possible neutralisation of one or other East European (country, I would say there are no reason to speed up a change in their

The line is clear, there is no point in talking about reunifi-cation until Nato and the Warsaw Pact are dismantled.

Bonn should take into account the fact that policies aimed at reconsidering borders

would not suit any government in Europe, and would only cause mistrust," Mr Gerasimov Reopening the East German borders was a "wise decision", he said. It would defuse tening more, not less, stability.

THE UNITED STATES

# Growing fear of summit surprises

also raising difficult questions

about the future security struc-

They after the whole context of what Mr Bush had hoped would be a "feet up, no agenda" discussion with Mr Gorbachev. Now the agenda is

very clear.
The US policy this year has

been of strong support for internal reform in Eastern

Europe, based on self-determi-

nation, and a plea for the Soviet Union not to interfere.

change - first, Eastern Euro-

pean countries must remain in

THE fulfilment of US hopes, and demands, about the opening of East Cormany's borders has left the Bush administration uncertain and apprehensive ahead of the president's meeting in three weeks with President Mikhail Gorbachev, the Soviet leader.

Mr Bush's initial reaction on Thursday afternoon was almost painfully cautious. His welcome was restrained, talking of the fulfilment of the terms of the Helsinki Accords and warning against premature talk about reunification. He said, characteristically, that he was "just not an emotional kind of guy."

By yesterday – after pic-tures from the Berlin Wall had dominated US television screens - the administration sounded more excited. Mr James Baker, Secretary of State, described the opening of the border as "the most drma-tic event in East-West relations since the end of the war."

Yet Mr Bush's initial cau-

tious reaction - given just after a briefing by his national security advisers - reflects the administration's considerable worries about what is honoening in central Europe. Events are not only moving more rapidly than anyone predicted — and way beyond the control or influence of the Soviet Union, let alone the US - but they are

the Soviet Union should not be challenged over its own affairs. One subject never discussed during Mr Bush's talks with Polish and Hungarian leaders in mid-July was the presence of Soviet troops.

Hence, the president's public statements have been low-key to avoid sounding provocative to Moscow. His message is that internal reform in Eastern Europe need not undermine Soviet security interests: in short, Nato has no wish to dis-rupt the Warsaw Pact. But now several outside

advisers have argued that the US has to accelerate talks on a new European security structure. Mr Zbigniew Brzezinski, President Carter's national security adviser, said yesterday: "We need to speak to Gorbachev about the future shape of Europe, the East-West rela-tionship." Mr William Hyland, the normally cautious editor of Foreign Affairs, said Nato and the EC might well dissolve if Germany was unified.

All this leads to considerable

apprehension about what might happen at the deliberately unstructured Malta summit. What surprises might Mr Gorbachev spring? Might he But for US officials there have been two clear limits to argue that, since he had permitted previously unimaginable internal reform in Eastern Europe and effective dismantling of the Berlin Wall, what

help him? Might he also seek to expand the scope of the existing conventional arms talks in Vienna - to go so far as to challenge the rationale for Nato and the Warsaw Pact? In short, might he seek to out-manoeuvre Mr Bush?

President Bush himself has naturally expressed confidence that his position has been strengthened. And yesterday Mr Baker was careful to argue that the suggestion that the two leaders would get together and decide the future of Eastern Europe is erroneous.

There is the further political problem for Mr Bush that much of the political running on these issues is now being taken by European leaders.

As Mr Robert Hunter, a leading East-West specialist at the Centre for Strategic and International Studies, has said, "the American president cannot speak for all the countries of the alliance. . . Frankly, I would just as soon this summit didn't take place now, at least until after we could have all the allies together with the president for a very thorough chin-wag about what we do

The meeting is likely to go ahead, but, as President Bush has said, one person he wants to talk to as soon as possible is Chancellor Helmut Kohl.

# **Fast-moving events**

dominate meetings By Robert Mauthner, Diplomatic Correspondent

East Germany has taken the Western allies by surprise, but it is certain that those developments and their likely effect on Nato and the European Community will figure prominently at a series of top level interna tional meetings over the next

The first of these will be the bilateral US-Soviet summit between Presidents George Bush and Mikhail Gorbachev on board a ship off Malta at the beginning of December, to be followed a week later by the European summit in Stras-bourg and, a week after that, by a Nato Foreign Ministers'

eeting in Brussels. Mr Douglas Hurd, the British Foreign Secretary, said yester-day that what was happening in Eastern Europe, and East Germany in particular, was partly due to the cohesion of Nato and the fact that West Germany was firmly anchored

in the Western alliance. The immediate question was whether the authorities of the German Democratic Republic more democracy, which might stop the flow of people out of the country. "No-one at the moment is asking for the re-unification of Germany. That is not what the crowds in Leipzig and other places are

demonstrating for. Mr Hurd conceded, however that in the longer term, the problem of reunification would probably have to be tackled, together with the whole relationship between the EC and Eastern Europe. "We have always said that this is basically a matter for the German people; it is basically a matter

stand on the principle of unifi-cation is favourable. We would welcome unification based on free institutions such as those which exist in the Federal Republic of Germany. There is no going back on that principle

The Foreign Secretary did not foresee talks between the Western allies and the Soviet Union about the future of Germany for the moment. But it was clearly a subject that was likely to come up in the forth-coming discussions between

srs Bush and Gorbachev. If the German people as a whole were ever to decide freely on the unification of their countries, discussions between the Western allies and the Soviet Union would ne necessary, British offi-

Under the Potsdam agreement of August 1945 between the Second World War victors (the US, the Soviet Union, Britain and France), Germany was divided into four occupation zones. But these were rary expedient, to be termi-nated by a formal peace treaty. Such a peace treaty has not been signed to this day. Ten-sions between the Soviet Union and the Western allies eventually caused an open breach and led the Soviet Union in 1948 to withdraw first from the Ger-man Control Council and subsequently the Berlin Allied Kommandatura, ending for all practical purposes the period

In spite of the Cold War, Berlin's special four-power status remains legally unaltered.

FRANCE

#### Diplomatic caution on issue of reunification

By lan Davidson and William Dawkins in Paris

THE FRENCH Government yesterday warmly welcomed the opening of East Germany's borders, but adopted a carefully diplomatic posture over possible moves towards even-tual German reunification.

Mr Michel Rocard, the Prime Minister, described the border opening as a "gigantic event" Roland Dumas, the Foreign Minister, said: "We must rejoice for the German people and congratulate the authorities for having understood the necessity." He judged the deci-sion would lead to "rapid prog-ress towards democratisation."

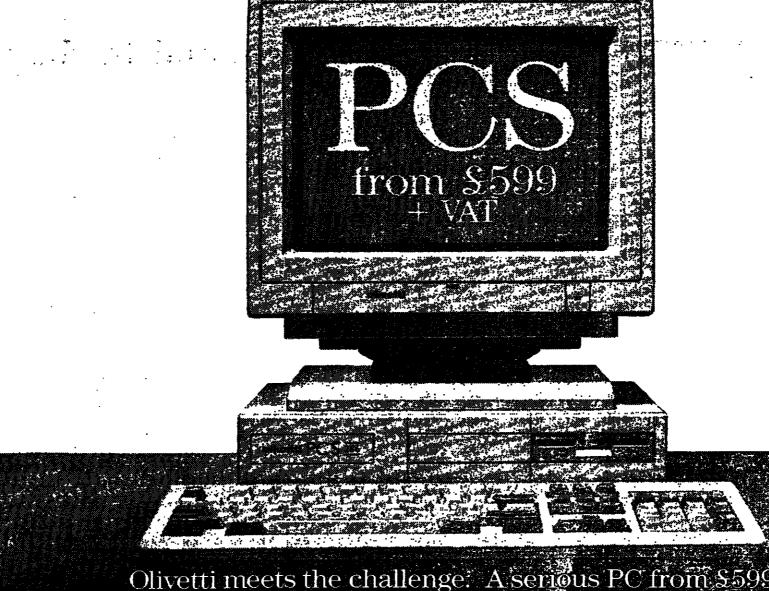
Both ministers were careful to adopt a serene attitude towards possible German reunification, while avoiding any excessive enthusiasm for the idea. A recent opinion poll showed a majority of the French people in favour of German requification. Yet the history of three wars between France and Germany has left deep French anxieties over Germany's possible ambitions, despite 25 years of intense offi-

cial efforts to bring about Fran-co-German reconciliation. Official optimism over the latest events in East Germany is qualified by the parallel conviction that the central Western response to the changes in Eastern Europe must be faster progress towards Western European integration. The earliest priority here is the issue of economic and monetary union in the European Community, which will be top of the agenda at next month's bourg, to be chaired by Mr François Mitterrand, the French President. In the words of a senior Ely-sée official: "Whatever the turn

events in Eastern Europe, our response is the same: we need more Europe." The Elysée firmly rejects fears of some French intellectuals that West Germany is in danger of slid-ing away to the East in pursuit of a heightened Ostpolitik. But it argues that West Germany and Western Europe will be much better placed to respond to events in the Soviet Union and Eastern Europe in the context of a more closely interated European Community. Mr Rocard was careful to avoid any adverse judgment on the principle of reunification.
"As long as the German people
is uneasy with itself, security cannot reign in Europe. No only have we nothing to fear, but peace and security in Europe require the German-people to rediscover its history

and its destiny, in the friend-ship and confidence of all its bours, including us." • The Paris government yesterday offered to make available its facilities in West Germany to help receive the expected influx of refugees. Mr Jean-Pierre Chevenement, the Defence Minister, ordered the commander of French forces based there to set up a "crisis unit" at their headquarters at Baden Baden, near the Franco-German border.

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By Ivo Dawnay in Rio de

MR Silvio Santos, the Brazilian television impresario, has lost his last-minute bid to stand as a candidate for the presidency in elections beginning next

In a unanimous ruling late on Thursday, the seven justices of the Supreme Electoral Tribunal disqualified his cam-

paign, to the considerable relief of rival candidates.

Mr Santos, a hugely popular personality known across the country, had brought chaos and controversy to the sixmenth long alegatoral research. month-long electoral race when he declared his decision to run just two weeks before polling in the first round of the two-stage contest.

The variety show host and owner of the SBT television network declared baldly that he had no policies nor pro-gramme, but that he had confidence his fans would trust him to govern the country with a broadly-based ministerial team. Opinion polls showed that, if approved, his candida-ture could take millions of votes from the front-runners and could even win him the presidency in the first free poll

for the office in 29 years. At the very least, Mr Santos's late intervention might have profoundly altered the outcome of the first round of balloting next Wednesday from which the two leaders will go forward for a run-off scheduled on December 17. The electoral tribunal's adju-

dication declared the showman ineligible on the grounds that his party - the Municipalists (PMB) - had failed to complete the correct registration procedures and must be dis-solved as an official political

The court also ruled that even had the PMB been deemed legitimate, Mr Santos had violated electoral laws requiring that he take leave of the management of his TV channel at least three months before polling began. Lawyers for the PMB yesterday declared that they were considering a last minute appeal to the Supreme Court to overrule the electoral tribunal's decision.

However, this is thought highly unlikely to be accepted. The affair has been widely criticised as making a laughing stock of Brazil. Among those said to have been damaged are a number of parties, including country's second largest, the Liberal Front, which had ularity to boost their fortunes His exit will remove a rich seam of amusement from a lacklustre campaign.

#### Spain steps up death squad probe

By Tom Burns in Madrid

EVIDENCE pointing to possible involvement of senior Spanish officials in a death squad that killed 28 members of the Basque separatist organisation Eta has come to light as a judicial inquiry into the ramifications of the so-called Gal counter-terrorist group enters its final stages.

The Madrid newspaper Diario 16, whose investigative reports into Gal led to the indictment 18 months ago of police deputy commissioner Jose Amedo and of inspector Michel Dominguez, reported yesterday that the judge in charge of the case had named the former head of an Interior Ministry special group as a Gal paymaster.

The apparent leak from Judge Baltasar Garzen's office indicates that the sensitive inquiry will now step up its efforts to investigate superiors of the two indicted officers. Earlier attempts by Judge Carzon to question senior police officials were blocked when the Interior Ministry refused to divulge information on its

Mr Amedo and Mr Dominguez have been in prison awaiting trial since July 1988 following a formal accusation that they created Gal by sup-plying mercenaries they recruited in France and in Portugal with funds, arms and information on Eta members living in south-west France. Both officers were based in Bilbao at the time of their arrest and had been at the centre of anti-Eta police operations.

Gal killed 28 Basque separatists in France and wounded a further 17 between October 1983 and July 1987. The death squad, whose initials stood for Anti-Eta Liberation Groups, disappeared as mysteriously as it surfaced when the French government began to round up wanted Eta members and band them over to Spanish authori-

Mr Felipe Gonzalez, the Prime Minister, who was elected for a third term two weeks ago, has consistently denied any government involvement in Gal.

# Brazil investigates \$360m foreign exchange 'fraud'

By Ivo Dawnay in Rio de Janeiro

INVESTIGATIONS are under way in Brazil into what is believed to be the country's biggest foreign exchange fraud involving the illegal transfer abroad of sums up to or exceeding \$360m.

Revealing details of 594 allegedly illegal operations, Mr Saulo Ramos, Justice Minister, said he believed the transfers to be the work of "an organised gang of fake importers with the objective of laundering money from drug-trafficking".
Others believe, however, that the motive behind the

By Richard Johns in Mexico City

MEXICO and the US have

signed an agreement on the exchange of information about the earnings of each other's cit-

izens in a joint effort to crack down on fiscal evasion.

The accord was signed by Mr Nicholas Brady, US Secretary of the Treasury, and Mr Pedro Aspe, Mexican Finance Minis-ter. Mr Aspe flew to Washing-

ton also to discuss problems in

tying up the package resched-uling \$52.7bn of Mexico's pub-

lic sector debt to the commer-cial banks and their reluctance

Under the tax treaty, both

countries are committed to submit information on com-

ERU'S leading weekly news magazine, Caretas,

last week of consulting three of

Lima's better-known witches

on the results of the mayoral contest in Lima tomorrow.

It did so because the govern-ment prohibits the publication of public opinion surveys a

week before elections. It didn't matter. The witches came up with the same leading candi-date as earlier polls: political novice and television station

Mr Belmont, a down-to-earth populist with little programme

other than to make this nearly non-functional city work a bit better, was leading opinion polls through last month. As with candidates in Brazil

and Chile, his popularity is owed largely to the fact that be

is not a politician and, if he is

ans feel about the usual politi-

Mr Belmont is running as an

independent and has not both-

ered with the normal campaign

cal options.

elected tomorrow, it will be tes-

owner Mr Ricardo Belmont.

took the unusual step

to provide fresh finance.

alleged fraud might well be the more prosaic flight of capital from Brazil's inflation-racked

Mexico and US sign fiscal evasion accord

cent tax.

According to the business newspaper Gazeta Mercantil. Mr Ramos also alleged "the involvement of public officials in the operation". Police and Central Bank (BC) officials are currently investigating the transfers that apparently date back to 1987 and involve changes to or falsification of official government documen-

tation.
Once import licences were

puter tapes giving details of income obtained by Mexican residents from the US and

In practice, the accord -which requires ratification of

the Mexican Senate - will be of far more importance to Mexico, given the amount of flight capital in US bank accounts. Mexican deposits in

the US totalled roughly \$13bn early in 1987, according to the Federal Reserve Board.

Earlier this year, claims were made that the authorities

were opening mail containing

cheques as part of their inves-tigations into tax exemption.

hooplab of rallies. He has

almost exclusively used his

own television station to pro-mote his candidacy.

One garage mechanic said: "Better him than a politician. Maybe he will get something

Peruvian weariness with pol-

iticians stems largely from the spectacular failure of the gov-ernment of Mr Alan Garcia of

the American Popular Revolu-tionary Party (APRA). The country's litany of trou-

bles is virtually endless, but the list starts with an increas-

ingly bloody civil war followed

by an economy that is pros-trate under inflation of 1,608 per cent so far this year. Mr García, who took office in 1985 and will leave it next July,

inherited a sick economy and a vicious insurgency, but both

problems have only grown

("Shining Path") guerrillas

have called on the populace to

boycott the nationwide munici-

At the beginning of August,

vice-versa.

obtained by the intermediarles, they were doctored to charting the "movement" of non-existent imports from companies overseas to Brazil, the minister

Further false documents were then obtained abroad to register larger than actual exports to Brazil and, back in Brazilian ports, to register a larger quantity of goods

When these papers were compiled, commercial banks in Brazil applied on behalf of their clients to the BC for

the Mexican Ministry of

Finance published a limited

amnesty aimed at encouraging the return of flight capital under which funds invested abroad before the end of 1984

would be subject to a once-for-

all tax of 5 per cent and money invested in 1985 to a 3.7 per

increasing importance to the US, given liberalisation of reg-ulations permitting foreign

investment in Mexico's stock and securities market. Although announced in May,

the trust mechanism whereby

foreign individuals and funds will be able to buy shares in all

More at stake than mayor's job in Lima poll

inces in the highlands where

military emergency zones

exist, elections cannot even be held. But the guerrillas are concentrating their fire on

Lima, where 35 per cent of Peru's 10m voters live.

in or near the capital has been-stepped up in recent weeks. since October 29 in Lima, they have blown up 15 electricity pylons and murdered a top

Peruvian official for Interpol, a police officer and a left-wing

They were also involved in a shoot-out with the police and

army in a downtown district, in which three people died and 25 were injured.

On November 3, they called for an "armed strike" meaning a forced general strike, in Lima. Most bus drivers, threat-

ened that their buses would be burned, refused to work that day. Many people courageously

went to work however they

But the most important

Mr Papandreou added that

strikes came from Mr Henry

The pace of guerrilla activity

Tomorrow will test how willing voters are to defy Sendero, Barbara Durr reports

The agreement could be of

licences to export the foreign exchange to pay for the

The alleged fraud was apparently discovered when BC employees declined to authorise certain transfers abroad and found that the applicants

failed to lodge complaints. Investigations, also involv-ing Interpol and the US's Federal Bureau of Investigation, have been under way for some months, a Justice Ministry official said.

Mexican stocks, except for

those of the commmercial banks enjoying profits but not having voting rights - has not

In general, capital gains are free of tax in Mexico but divi-

dends carry a rate of up to 40 per cent under a complex set of regulations introduced earlier

Mexican accumulated infla-

tion in the first 10 months of this year was 14.2 per cent, according to the Bank of Mexico's Consumer Price Index. On an annualised basis

over the 12-month period, until

the end of last month, it was

Pease, the mayoral and presidential candidate of the United

Left coalition.

Mr Pease led a march to defy

Sendero's strike call. He was

joined by the novelist and right-wing presidential candi-date Mr Mario Vargas Llosa. Other presidential hopefuls tagged along.

Sinecio Jarama, one of Peru's

leading counter-insurgency

experts, Sendero's efforts to disrupt the municipal election

are only a rehearsal for their

larger goal of sabotaging the general presidential elections scheduled for next April 8.

Gen Jarama believes, as do others, that Sendero aims then

to intimidate one third of the electorate from voting and cause the election to be nulli-

Thus, in tomorrow's poll, there will be more at stake than the mayor's job. It will be

a test of how willing Peruvians are to brave not just the usual

problem of long queues, but

genuinely adverse and inse-cure conditions, in order to

According to retired Gen

been established.

this year.

Mr Ramos claimed some 15 banks and five brokerage

houses in Brazil, the majority in Rio de Janeiro, and five in the US were involved. His claim brought an immediate rebuttal from Mr Leo Wallace Cochrane, president of the Fed-eration of Bank Associations of

vate sector) banks is zero, said. Another senior bank offi-cial, who asked for anonymity, was furious that private banks had been implicated in the alleged fraud. He claimed there was no evidence of complicity in any illegality by executives

"The involvement of the (pri-

who had merely completed routine paperwork.
But Mr Vinicius Baker, a Justice Ministry official, said there were suspicions that mid-ranking bankworkers must have been involved in passing or preparing falsified documents. He also insisted

that the operation was "bilateral", involving fantasy companies in the US.

The BC investigations department has declared that at the very least, private banks are likely to be prosecuted for

# **US** issues last-minute

Yitzhak Shamir, the Israeli prime minister, to meet President George Bush next week.
The delay in fixing the meeting has irritated the Israells who regard Washington as

their closest ally.

It has also raised speculation in Washington and Jerusalem that the United States was sig-

Mr James Baker, US Secre-tary of State, denied any attempt to put pressure on Mr

near-two-month delay in fixing a date for a meeting, to the President's scheduling prob-The Israeli prime minister is

the israel prime himster is due next week to begin a short private tour of the United States, where he is due to talk to Jewish groups in Cincinattl and Los Angeles. His meeting with President

Baker pushes for an agreement between Israel and Egypt on a five-point plan for setting up a dialogue between Palestinians and Israelis.

ann israeus.
Yesterday in a television interview, Mr Baker indicated that modest progress had been achieved on his Middle East

general framework for talks, subject to certain "assump-The Administration was

waiting for a reply from Egypt, which is acting as a mediator for the Palestine Liberation Organisation, he said.

on US guarantees on the limited scope of the dialogue with the Palestinians and the com-position of the Palestinian dele-

gation.

The Israeli government, made up of a Likud and Labour coalition, refuses to speak to the PLO.

# invitation to Shamir By Lionei Barber in THE White House has issued a last-minute invitation to Mr

nalling displeasure with Israel's slow response to carrying out its plan for Palestinian elections in the occupied terri-

Mr Baker attributed the

Bush may give an indication of US-Israeli relations as Mr

initiative. The Israelis had accepted the

Israel's assumptions centre

Mr Shamir is expected to reaffirm these "assumptions" in his talks with Mr Bush. Mr Baker is anxious to keep the parties edging to the nego-tiating table, and there is some hope of his planned three-way meeting between the foreign ministers of the US, Israel and Egypt occurring in the next two to three weeks.

# ticipating in an earlier coali-tion with the conservatives which started proceedings leading to the Socialist leader's indictment on charges of brib-

cast their votes.

by Mr Vargas Llosa.

Mr Belmont's closest rival is

Mr Juan Inchaustegui of the Democratic Front Alliance led

A loss by Mr Inchaustegui in Lima is widely perceived to be damaging for Mr Vargas Llo-sa's presidential possibilities, in particular because the

writer has campaigned promi-nently for his associate. The

only mitigating factor is that

Mr Belmont supports Mr Vargas Llosa's candidacy.

Mr Pease, of the United Left coalition, while not expected to

vin, may well do far better

than previously expected after his leadership of the peace

march. This will give him a small boost for his presidential bid. The left vote is divided,

however, between Mr Pease

and Mr Enrique Bernales, who

represents a more moderate left wing led by the former

rantes, Mrs Mercedes Cahanil-

las of APRA is likely only to

hold don the vote of her party

faithful.

Panaudreou: mandate

#### Papandreou offers coalition with communists By Kerin Hope in Athens

pal elections tomorrow. In at reply to Sendero's armed least 48 districts and four prov-

could.

THE FORMER Socialist Prime Minister, Mr Andreas Papan-dreou, yesterday made a for-mal proposal for a coalition with the Communist-dominated Left Alliance Party immediately after receiving a three-day exploratory mandate

the term a government.

He said that only a lasting government of "modern dynamic and progressive forces" could prepare Greece for the challenges of the uni-fied European market.

FRANCE'S President François

Mitterrand, pushing for prog-

ress on monetary union in the

European Community, sought

to overcome Danish misgivings

yesterday, Reuter reports from

Copenhagen.
Prime Minister Poul Schlüter
was expected to keep his
options open in talks a month
before the issue comes to a

head at an EC summit that President Mitterrand will host

in Strasbourg.

Denmark prefers to stay in step with its giant neighbour.

West Germany, where opinion is divided on Mr Mitterrand's fast timetable for full Euro-

pean Monetary Union (EMU).
"It is clear that the French

are following a maximalist line

on EMU and equally clear that

they can't go anywhere with-out the Germans," a senior European diplomat based in

"Denmark is still on the

Mr Papandreou, whose Pan-Hellenic Socialist movement finished behind the conservatives in last Sunday's inconclu-sive election, with 128 seats to their 148, also said he would introduce a simple propor-tional electoral system, which would considerably benefit the

The Left Alliance received only 21 seats in the 300-mem-ber Parliament under a strengthened proportional vot-ing system, while capturing

fence regarding implementa-

tion of the second and third EMU phases," he added, refer-

ring to radical plans for a sin-

gle European currency and a

All EC states have agreed to launch phase one, lifting the last trade and capital barriers,

on July 1 next year.

French officials say their

goal is to leave Strasbourg on December 9 with a commit-ment by all 12 EC states to hold an inter-government con-

ference on the rest of EMU towards the end of 1990.

ratification of a new treaty by the end of 1992, Mr Mitterrand

has set a pace which appears

to be too fast for some key

decision makers in West Cer-

many. Senior central bank and eco-

nomic officials in Bonn fear

the loss of sovereignty over

monetary policy and the

By calling last month for full

Mitterrand aims to quell fears

he hoped for support from a Socialist independent and a green deputy in order to achieve an overall majority in The Alliance leader and Communist party president, Mr Harilaos Florakis, has

10.9 per cent of the vote.

rejected similar offers in the

Alliance to join forces with Mr Papandreou's party after par-

D-Mark, Europe's dominant

currency, which is inherent in full EMU.

German wavering bolsters Mrs Margaret Thatcher, Britain's Prime Minister, who

Mr Mitterrand, trying to cap

his six-month EC presidency with a binding deal, needs to convince West Germany that foot-dragging will derail West European unity at a time of

turbulent change in Eastern

will not publicly pre-empt a November 30 meeting of Den-mark's powerful parliamentary

Mr Mitterrand's other prior-ity, a Social Charter for Euro-pean workers, poses few prob-

lems for Denmark, where

relations between employers

and trade unions are among

the most mature in the world.

As for Denmark, Mr Schlüter

opposes total union.

EC committee.

It would be difficult for the

stalemate still seems possible since Mr Papandreou said that an all-party government, a conservative proposal which is not opposed by the Communists, could be an alternative solu-

ery and illegal phone tapping.

But a way out of the political

# EC set for industry aid

close to completing a policy document aimed at curbing state aid to industry, after drawing up an inventory of subsidies, Sir Leon Brittan, the commissioner for competition

was compiled after this year's Commission report on competi-tion policy signalled an impending crackdown on state subsidies, estimated to amount to Ecu 82bn (£55bn) a year. Sir Leon told a meeting in London of British electronics industry executives that the revised policy would shift the emphasis away from exclusive

several years ago.
A danger existed that governments would turn to subsidies as a way to protect industries, after the removal of barriers to trade within the EC under the 1992 programme. The initial targets for the

sympathetic to the Islamic policy will be general subsidies to investment, export subsidies and aid to state-owned industries, Sir Leon said. Commission state aid rulings are final, subject only to appeal

an announcement soon on the French Government's plans to provide FFr 12bn (£1.2bn) to allow Renault to write off part

# Hussein to continue democratisation

By Lamis Andoni and Tony Walker in Amman

KING HUSSEIN of Jordan which people protested about pledged yesterday to continue a process of democratisation following the election this week in which Moslem fundamentalist candidates emerged as the strongest bloc in parliament.
The king sought to put the

best interpretation on what is almost certain to have been a disappointing result for the palace, which now faces a par-liament likely to show a strong independent streak. Early tests for King Hussein

in his relations with parliament will come when it votes on a new cabinet that is expec ted to be announced before end of the month. King Hussein said the elec-

tion marked a "new phase in the life of Jordan". He indicated that he would consult widely on the composition of his new government. Moslem Brotherhood candidates won 20 of the 80 parlia-mentary seats. At least 12 other newly-elected MPs are

trend. The balance of the seats are divided between left-wing can-didates. Arab nationalists, tribal leaders, and technocrats. Candidates associated with the government of former Prime Minister Zeid Rifai fared

badly in the poll. King Hussein hastened the holding of elections. - the first since before the 1967 Arab-Iswhich people protested about economic hardship and politi-cal constraints.

King Hussein indicated he would consult parliament on controversial issues such as the lifting of martial law, which has been in force since 1967 and remediate in force since 1967, and removal of a 1957 ban

The king said that a "new" national charter would be drawn up to help regulate Jordan's political life. The charter is expected to define and possibly to limit the role of political groups.

The government is under pressure to sanction the return of parties.

Many Jordanians believe the strong showing of the Moslem Brotherhood was due partly to

its being allowed to continue to operate as a quasi-political organisation, while all other parties were banned. The king said several times during his lengthy press con-ference that he was pleased a representative body would share the burden of decision

making. "It is incumbent on us all to come together to reorganise and reassess," the king

declared. King Hussein dealt sharply with a question about whether the elections marked the begin-

ning of a transition to a more modern, Western-style consti-tutional monarchy in Jordan. He said he had always been guided by Jordan's 1953 consti-

#### Long-term hopes for Jiang look vulnerable By Our Foreign Staff

A TOP advisory body to China's ruling Communist Party met in Peking yesterday, one day after the announce ment that Deng Xiaoping, the senior leader, had resigned from the party military com-

In spite of speculation that a In spite of specification that a further shake-up in the leader-ship had been immluent, for-eign diplomats in Peking said the lack of a further reshufile after the meeting of the Central Advisory Commission meant Deng had been unable to persuade other party elders to retire to smooth the transfer to retire to smooth the transfer of power to his heir-apparent, Jiang Zemin, the general secretary, whose long-term pros-pects look increasingly vulner-able.

"With no other resignations, this looks more and more like a failure for Deng," said one

A programme of economic reform, spearheaded by Deng more than a decade ago, has been under attack from party



Jiang Zemin: hard-liners adament

hardliners, and a failure to per-suade other leaders to resign raised new questions over the future of his policies, diplomats said.

The recent central commit-tee meeting decided to con-tinue harsh economic austerity measures for a further two years, but there are signs that the authorities are selectively easing the credit squeeze to release some funds to large state-run industries, many of which are inefficient but which are regarded as allies of the

Deng resigned as head of the party's powerful military com-mission, installing Jiang as his successor, at a key meeting of the party's central committee on Thursday. But he failed to

84, a potential rival to his handpicked successor, to step aside. Yang was in fact promoted to first vice-chairman of the military commission and his younger brother Yang Baibing was promoted to be the com-

mission's secretary general.

The BBC yesterday accused China of regular and severe jamming its Chinese-language broadcasts beamed from Hong Correspondents in Peking said the jamming, which has been carried out for at least

several weeks, was part of China's efforts to get its own message across to its people in the wake of the army's massa-cre of protesters in the capital in June.

#### India temple move angers **Moslems**

By K.K. Sharma in New

THE Shahi Imam (head priest) of the Jama Masjid, the largest mosque in northern India, yesterday demanded that all communities should be allowed to build and retain their places of worship without restriction. He was commenting on the foundation-stone-laying cere-mony for a Hindu temple at Ayodhya on Thursday, the site of a Moslem mosque. Hindus believe that the Babri Mosque

was built in the 16th century on the site of an ancient Hindu temple that commemorated the birthplace of Rama, a leading Hindu deity.
The Shahl Imam's reference

was to the possibility of the mosque being demolished. The laying of the foundation of the temple, he said, had violated court orders on the issue, since it would encompass the mosque area also.

In Punjab, Sikh terrorists killed 19 Hindu students in the hostel of an engineering college in Patiala town at dawn yesterday in what is seen as an attempt to disrupt the election process in the violence-torn north Indian state where extremists are seeking an independent homeland for the

Although elections to the Punjab legislature are not being held in the State, the poll to elect members of Parliament from there is to be held with the rest of the country from November 22. A number of Sikh radicals are also contesting the elections but the holding of polls in Puniab is opposed by many extremist groups which have been blamed for yesterday's killings.

#### Irish economy 'set for growth' By Kleran Cooke in Dublin

THE Irish economy is set for a period of sustained growth, with gross domestic product projected to grow by 4.5 per cent this year, slowing slightly to 3.5 per cent in 1990, according to latest assessments by the Department of Finance in

Dublin. The Department's Economic Review and Outlook, published yesterday, predicts that Ireland is in for a "period of sustained growth and, more important, of enduring gains in employ-

larly as regards current expenment". The Department forecasts a diture, must be maintained in the coming year," says the

trade surplus of I£2.2bn this year, compared with a surplus of I£2bn in 1988. But much will depend on continued demand on the world market, particu-larly in the UK, which takes more than 30 per cent of

Ireland's exports.
The Department warns that inflation, running at about 4 per cent, must be kept down and consumer spending curbed. "Strict discipline, particu-

about priorities." The report says the national debt of Ir25bn continues to be a serious impediment to

growth. It adds that there will be further small improvements in job creation, though any significant drop in Ireland's unemployment rate, at present standing at 17 per cent, is not likely for some time.

Department. There can be "no question of easing up on the fundamentals of the present strategy, nor of postponing difficult choices

#### crackdown By Charles Leadbeater, Industrial Editor THE European Commission is

policy, said yesterday.

The inventory of subsidies

focus on new public subsidies, towards schemes established

to the European Court of Justice in Luxembourg.
Sir Leon is expected to make

raeli war - following serious riots in April this year, in

#### **UK NEWS**

# Saunders likely to win aid for £5.2m civil case

By Raymond Hughes, Law Courts Correspondent

MR ERNEST SAUNDERS, the former Guinness chief execu-tive, is likely to be granted legal aid to defend the company's £5.2m civil claim

pany's 25 am Givin chain against him.
Yesterday the High Court quashed a Department of Social Security assessment officer's decision that Mr Saundars was inclinible for aid ders was ineligible for aid because he had deliberately deprived himself of assets.

The officer had held that Mr Saunders' £407,000 helf share of the proceeds from the sale of his family's former home, which he put in trust for his able resources for legal aid purposes. However, Lord Jus-tice Watkins said the assess-ment officer must reconsider the matter, taking account of Mr Saunders' reason for put-

ting the money in trust. There is nothing to suggest that the reduction of capital was brought about by a delib-erate intention to obtain legal aid when otherwise he would not be eligible for it," the judge

said.

He added: "On the evidence before us I would not accept that he did it to defeat his creditors, past or future."

The DSS may appeal because of the ruling's implications for legal aid means testing.

Mr. Norman, Transport.

Mr Norman Turner, Mr Saunders' solicitor, said after the ruling: "We are confident

that if this case does not go to appeal, Mr Saunders will be granted full legal aid without contribution." cerns £5.2m that the company paid Mr Tom Ward, a US attor-ney and former Guinness direc-tor, for his services to the com-

pany during the Distillers akeover battle. his assets and he still owed Mr Saunders has already lawyers more than £300,000.



Ernest Saunders: High Court ruling yesterday

been given legal aid in the Guinness criminal trial, on the basis that he may have to contribute up to £287,000 after the

When granting criminal legal aid, Mr Justice Henry said that, in putting the £407,000 in trust, Mr Saunders had been "clearing the decks for action." He had made himself a less attraction to trust for self a less attractive target for litigation and, if he started proceedings himself, less able to pay costs if he lost.

Lord Justice Walkins did not agree with that. He said that Mr Justice Henry had not had

anything like the evidence available to the High Court. Lord Justice Watkins said that although the civil trial had been postponed until after the criminal one, complicated pre-trial matters on which Mr Saunders needed lawyers' help continued to be dealt with.

Legal bills had esten away

# MPs predict TV will change procedures

Commons will not only bring the drama of politics into Britain's living rooms. Most MPs believe it will also change the stage directions.

An Independent Television News poll released today shows that 83 per cent of MPs believe television cameras will eventually change Commons'

The poll results, to be released on Channel Four's light a growing feeling among MPs that television cameras will change the character of

the Commons forever. The first live pictures from the Commons will be of the state opening of Parliament on

November 21. Most pressure is likely to be on Mrs Margaret Thatcher and Mr Nell Kinnock, the Labour leader. In the programme, Mr Kinnock describes Prime Minister's questions as a "kind of fencing match, where you really try to get the Prime Min-ister on the back foot or get

the chest exposed so that you can make the thrust." He discloses that his biggest tactical mistake was his long opening speech during the 1986 Westland debate. Some believe he could have forced the Prime

He says that instead of going straight at the subject with a

TELEVISING the House of choice "sound-bits," he used "a Commons will not only bring kind of lead-up, a very crudite, if I may say so an excellent, assembly of words - but not

what should have been done on that day." Mrs Thatcher says: "The great advantage of a woman's voice is that it can be heard through the hubbub, whereas a

The FTN poll found most of the 297 MPs who responded thought television would mean iour. However they were unsure whether procedural changes would be for the bet-

On Commons procedure, 72 per cent thought all bills should be regularly timetabled
- instead of using "guillotine"
motions to curtail debates when MPs use delaying tactics.

A substantial majority - 87
per cent - said there was not enough time to consider European legislation.

When asked whether MPs should work more normal hours, 61 per cent said "yes." Those in favour of continuing the present sittings, which start at 2.30 pm and often end in the middle of the night, were mostly older members.

If Parliament finished at say, spin, MPs with farfling constituencies would end up "either in the pub, or in Soho,"

#### Pension protection move seen as employers' burden

By Barry Riley

Minister to resign.

GOVERNMENT proposals to with schemes were being pen-increase the level of protection. Alised, whereas those who had for members of occupational not bothered to set one up pension schemes could create a were unaffected. "It doesn't "massive extra liability" for certain employers, according to Mr Tim Mitchell, president of the Society of Pension Consul-

tants.

He strongly criticised the plan, disclosed last Tuesday, to require that when schemes are wound up the statutory degree of protection against inflation increases in line with the Retail Price Index up to a ceiling of 5 per cent - must be applied to all present and

future pensions in payment.

Mr Mitchell, who was speaking yesterday at a conference organised by Prudential Corporate Pensions, gave the example of a company which used to employ 7,000 people but now had only 2,500 on the payroll. Revaluing pensions in the manifest way would jump the required way would imply the need for a one-off provision of £50m for a company with a current payroll cost of only \$40m a

He pointed out that the requirement would only be triggered when a scheme was wound up, so making it likely that schemes would never be

closed in practice. Mr Mitchell, who is vice chairman of Godwins, the consultants, claimed employers make sense I hope that the Government will listen to rea-

son on this and change what they have said."

The popularity of the new personal pensions which saw more than 3m contracts sold in the 1988 of Secondary tests to the same of the 1988-89 fiscal year looks set to continue in the current year, writes Eric Short, Pensions

Figures from the Association of British Insurers show that personal pension sales by life companies were buoyant in the third quarter of this year.

New annual premiums were £223m, nearly 10 per cent up on the £204m in the third quarter last year - the first period in which personal pensions

became available. Single premium sales in the third quarter of £500m were tri-ple those of a year ago. Some single premium busi-

ess relates to a backlog from the business boom in the final days of the previous tax year, but life companies are experiencing strong growth in per-sonal pension sales.

A significant underlying feature has been the growth of unit-linked pension contracts at the expense of traditional

#### **Electronics** industry help urged

By Charles Leadbeater,

PARTS of Britain's electronics the Government is not more active in influencing the European single market programme, Mr John Chisholm, president of the Electronics

president of the kneet Asso-ciation warned yesterday.
Mr Chisholm, managing director of Sema Group, the UK systems house, told a meet-ing of the association yester-day: "British industry will be wined out whese wester Gov. wiped out unless urgent Gov-ernment action is taken to ensure we are playing on a level playing field."

He said the main threat to

Britain came from the way state aid to the French and Italian industries distorted The only answer was for the

Government to "join the rough and tumble" by providing more direct help to indus more direct neip to mans try.

He warned that the leading British companies involved in manufacturing air traffic control radars might be eliminated from the European market, by Thomson CSF and Selenia, the French and Italian companies which had both been able to lower their prices because of the state aid they receive.

Putting a price on contamination

Bridget Bloom meets a farmer caught in the row over cow feed R JIM HAMILTON, a farmer from Devon, has been hoping to

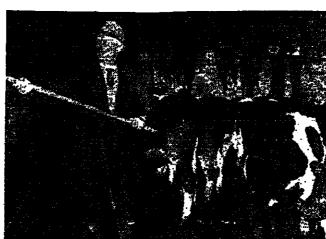
swell the income from his 40 dairy cows by fattening beef cattle as well. However, seven of his calves died last month. The first signs of trouble appeared on Sunday October 22, when one calf went sick. It died on the following Wednesday and when two more become ill and also died, Jim Hamilton's vet sent them to the Veterinary Inspection Centre at Star Cross, not far away. Lead poisoning was the ver-

"The loss of the calves was bad enough" Mr Hamilton said yesterday. "But what worries me now is what will happen to the other 175 animals we fed on those rations. Will they grow — and can they be sold?"

Mr Hamilton, who moved to Lamerton near Tavistock only 3 years ago, was one of the 3 years ago, was one of the first farmers to alert vets in the three West Country counties of Devon, Cornwall and Somerset that they might have on their hands what Mr John Gummer, the Agriculture Min-

ister, was later to call a major criminal conspiracy relating to lead-contaminated cattle feed.

Today, Mr Hamilton is one of 1,294 British farmers who have had restriction orders slapped on their businesses: he is unable to move or sell cattle and his milk goes to a special



Sir Simon Gourlay, NFU president, with dairy cattle

depot in Torrington, possibly for later destruction. He may, though, be lucky in one respect: his milking cows were not fed the contaminated feed; that went instead to 16 dry (non-milking) cows, and the cattle being fattened for mar-ket.

the Devon farmer is still somewhat bemused by the potential tragedy which has befallen so many farmers in his area, although he says it's much too early to be able to know or assess what compensation might be sought.

What happened to him was that the summer's drought

that the summer's drought gave him poor grass for graz-

ing and his own barley yields were low, so since August he has supplemented his animals' feed with a mix supplied in four-tonne loads by his normal merchant in Great Torrington. The rations, in rolls, had the advantage of being fed on the ground, instead of in troughs, and were priced competitively.

Mr Hamilton says he had been feeding the animals for nearly three weeks on the con-taminated consignment before the calves started dying, but he is still accompled to learn that

the trail may go right back to Burma last September. The assumption, as advanced by Ministry of Agri-

is still astonished to learn that

bran produced in Burma was exported to Europe but was contaminated on the way by a lead compound in the mixed

cargo ship.
Though the contamination was "obvious" on inspection in the Belgian port of Antwerp, where the consignment was ordered to be destroyed, it somehow found its way to Dutch feed compounders who turned it into maize gluten

replacer pellets.

By the time Jim Hamilton bought it, it had been through several more hands - including the importers at Teignmouth, in Devon, and the compounders who mixed the pellets with other feed ingredi-

"There was nothing much on any label to indicate what it was, beyond being called PCM rolls," he said yesterday. "That obviously could mean any-

west of England, and a few in the Midlands who also bought from at least seven different merchants handling the feed, Mr Hamilton took it on trust.

Meanwhile, Sir Simon Gourlay, President of the National Farmers Union, on a visit to another affected farm, has warned that many farmers drink their own milk and if contamination is proved, they should have health checks.

#### **Dutch feed** suppliers reject claim

By Laura Raun

THREE DUTCH suppliers of animal feedstuffs yesterday denied any responsibility in a FI 2m (£600,000) damages claim that could help unravel the international scandal over poisoned cattle feed.

Slump, a Dutch fodder maker which sold lead-poisoned cattle feed to about 300 farmers, is claiming that Rovegrha, Drogerij Marknesse and De Bruijn knowingty dealt in contaminated goods and thereby defaulted on their legal obligations.

However, in Rotterdam District Court yesterday they blamed Toepfer, a West German company, for the lead poisoning of Burmese rice bran they used to make the fodder.

Mr Theodore Sandberg, attorney for Shump said Tren.

attorney for Slump, said Toep-fer was not to blame because it sold the contaminated rice bran to De Bruijn with repeated instructions to destroy it.

Instead of doing this, De Bruijn sold it to Drogerij Mar-knesse, which marketed it through Rovegrha, according to the legal claim. Rovegrha, which is Marknesse's sales arm, argued that it was inno-cent of wrongdoing because of force majeure. The judge will deliver a decision on Monday.



#### AND WE HAVE.

On Wednesday night, the new Rover 200 Series won one of Britain's most coveted motoring awards.

It was voted Top Car 1990 by the members of the UDT/Guild of Motoring Writers.

The country's 60 finest motoring writers were each asked to nominate their top three new cars in the following four categories: design, safety, road behaviour and value for money.

The 200 Series flew in by "a considerable margin",

leaving Citroen's XM in 2nd place and Mercedes' SL in 3rd.

The jury obviously agree with Autocar and Motor Magazine which had previously observed: "The Rover is a remarkably complete and well executed car. Be in no doubt, the 200 is a driver's car and one of no mean ability."

In awarding the 200 Series "Top Car 1990", the Guild of Motoring Writers have confirmed our new car as not just top of its class but top of any class.

The new Rover 200 Series. Up where it belongs.



THE NEW ROVER 200 RANGE FROM 18,775 TO \$10,940. PRICE EXCLUDES NUMBER PLATES AND DELIVERY, FOR DETAILS OF YOUR NEAREST ROVER DEALER AND A FREE BROCHURE ON THE ENTIRE ROVER 200 RANGE TELEPHONE 0753 696100.

# Performance of nuclear reactors has been mediocre

Andrew Holmes explains how the economics of nuclear power stations ruled them out of electricity privatisation plans

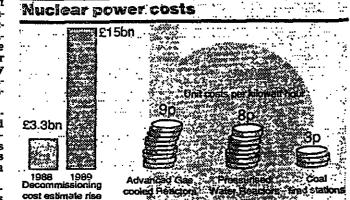
nuclear power station was all but inevitable from the outset. Nuclear power in general carries too many unforeseeable risks for the private investor to feel comfortable with it.

The performance of Britishdesigned nuclear stations, and particularly the advanced gas-cooled reactors (AGRs), has been mediocre at best. This was never the subject for a

Successful privatisation.
However, it has been the dis-closure that nuclear power is not economic to operate — and never has been - which has forced the Government to change its mind.
The last 12 months have

seen an extraordinary series of revelations about the costs -past, present and future - of generating electricity from nuclear power. The problems which have led to nuclear's exemption from the sale have not been caused by privatisa-tion, for the most part. It is simply that the prospect of having to spend real money, as opposed to public funds. on nuclear capacity has changed the attitude of electricity

industry executives.



January 1989, when a speech (never actually delivered) by Mr John Baker, chief executive of National Power, was leaked. He calculated that the average cost of nuclear generation, sub-tracting transmission costs, was 5 pence per unit, compared with 3.5p per unit for coal-fired generation. Fuel costs, at 2p per unit, were the same for coal and nuclear.

This turned the whole mythology of nuclear power on its head. The myth had it that nuclear power stations, while costly to build, were cheap to run; coal stations were supposed to be the reverse - cheap to build and dear to run.

In fact, nuclear fuel — including the provision of "back-end" services such as waste disposal and reprocessing - cost just as much as the British coal which the CEGB so often described as "uncompetitive" and "uneconomic," according to this analysis. The Government planned to

impose a "nuclear levy" on electricity bills, to compensate the distribution companies for using nuclear power. On the basis of Mr Baker's figures, the levy would come out at around 15 per cent on every electricity bill. By any reckoning, this was a high price to pay for the "security of supply" which the Government claimed as the rationale for pressing ahead with nuclear expansion.

As time went on, the nuclear back-end problems - decommissioning retired stations and re-processing spent fuel were teased out. Decommis-sioning costs were the most spectacular. Up to 1989, the CEGB claimed that the cost of dismantling a Magnox station would be of the order of £300m. would be of the order of £300m.
This figure was a modest one, given that the money would not actually be required for a century after power station closure. It takes that long for a nuclear station's radioactivity to "cool down" sufficiently so that the business of dismantl-

ing can be attempted.

The CEGB was supposedly laying money aside to provide for this contingency. In fact, the annual provisions for decommissioning were merely a book transaction. In the US, utilities are bound to lay decommissioning provisions aside in an escrow account. yet the CEGB provisions van-ished between CEGB headquar-ters and the Treasury.

When the Government with-

drew the early Magnox reac-tors from privatisation in July, decommissioning costs were given as the main factor. The Magnoxes had spent their oper-

Energy Department hoped to ating lives in the public sector, therefore the public sector beat National Power down to must pay the bills. However, the AGRs would have spent around 6.5p. This would still have left nuclear power costing more than double the price of most of their lives in the priconventional generation. vate sector, so provision had to be made for the private sector

to pay for decommissioning.

For the first time, the electricity industry had to produce figures for decommissioning rather more substantial than the "back-of-an-envelope" fig-ure of \$300m. Figures given by Lord Marshall at the closing ceremony of the Berkeley Magnox – the first to come out of operation – yielded by simple extrapolation a minimum bill, for AGRs and Magnoyee of SIEM

and Magnoxes, of £15bn.
This was just the basic minimum. No one has ever disman-tled a commercial nuclear power station and there is much guesswork involved in even the £15bn figure.

By mid-year, National Power was in serious negotiation with the Energy Department over the terms under which it would run the nuclear stations. Yet more cost estimates were produced suggesting that nuclear power would cost 7p a unit rather than 5p, operating at commercial rather than public commerci lic sector rates of return. According to a recently-leaked Cabinet document, the

Then there was Sizewell B, the first of a new generation of pressurised water reactors (PWRs), which was meant to berald a new beginning for nuclear power in the UK. Size-

well would be more expensive still. A draft contract for Sizewell's output by National Power put the unit cost at 8p-10p per unit. That was the breaking point. The Sizewell B figure was the first truly commercial estimate of the cost of nuclear power.

ational Power would have had to recoup from the unit price all costs associated with the reactor, from con-struction to final dismantling. costs were particularly high compared with, for example, French PWRs of a similar design. This was partly because it was the first of the kind attempted in Britain whereas France, with more than 50 similar stations completed, has built up a huge body of expertise and can exploit economies of scale. It is also said that UK safety regulations, while not necessarily safer than the French ones, are more elaborate and costlier. The other big change which resulted from privatisation was a large additional item for the cost of capital. This was set at

5 per cent in the public sector, but needs to be nearer 10 per cent in a private sector project with perceived risks. On a project costing £1.9bn, this change could make a huge difference. Building just one of these PWRs - let alone the four planned by the CEGB – would bring an enormous financial penalty. Thus there was

nowhere to go but backwards.
It has been argued that the
withdrawal of nuclear power is
a blow to privatisation. Yet in
some ways the opposite is true. For 20 years or more, the true economics of a nuclear industry was hidden within the national electricity accounts. In the absence of privatisation. there is little doubt that the CEGB would still be moving ahead towards "a new genera-

tion of four PWRs.

The economics would have looked different, but underneath it would have been just the same sorry prospect now

clearly perceived.

Andrew Holmes is Editor of the FT monthly newsletter, Power in Europe



By James Buxton. Scottish Correspondent

THE DECISION by the Government to cancel its programme for new pressurised water reactor nuclear power stations should mean much larger exports of power from Scotland to England, Mr Malcolm Rifkind, Scottish Secre-

tary, said yesterday. He said that the interconnecting transmission line between the two countries could be expanded from its current capacity of 850 MW up to 2000 MW.

This is the highest figure that has been publicly placed on expansion of the interconnector: current plans are to go up to 1600 MW but further expansion would be possi

Mr Rifkind said the increased export market in England would mean a brighter future for the Scottish coal industry with coal burn-ing power stations contribut-ing to the exports to England. As in England the SSEB's two advanced gas cooled reac-tor power stations are being taken out of privatisation. They account for about 25 per cent of Scottish generating

capacity but meet as much as 60 per cent of demand. Mr Rifkind said that the Government would have to consider whether Scottish Nuclear (SNL), as the state-owned nuclear generating company is to be called, will become involved in making direct sales to customers in England or whether it will only sell power to the successors of the SSEB and the North of Scotland Hydro-Electric

Any suggestion of SNL mak ing direct sales is likely to be strongly resisted by the two companies which will argue that this would mean Scottish customers losing the benefits

of the nuclear stations.

The Scottish deep mined coal industry has been reduced in the past three years to the single pit complex at Longan-net in Fife which serves the SSEB's power station there. It has recently become profitable

The forecasts produced by

the universities collectively are

more pessimistic than they were a year ago.

Vice-chancellors believe they will have to bear heavier restructuring costs, such as for early retirement, than they previously forecast

# Lord Marshall leaves his position of power

By David Fishlock, Science Editor

ONE OF Europe's foremost scientists finds himself out of a job this weekend.

Lord Marshall of Goring, ennobled by a
grateful government for keeping the
lights burning throughout the mineworkers' strike, is leaving the electricity industry because its privatisation plans no longer include nuclear power. For a decade, Lord Marshall, who is 57, has dominated not just Britain's but Europe's nuclear power industry. He was made chairman of the newly created World Association of Nuclear Operators last spring. WANO is a club of companies with nuclear power plants, east as well as west, pledged to

raise safety standards. He has been a highly articulate state industry chief with an inexplicable accent, which he attributes to having been taught by mid-European emigré mathematicians at Birmingham Univer-

sity in the 1950s. Walter Marshall read nuclear physics and magnetism before joining the UK Atomic Energy Authority's Harwell lab-oratory. In 1968, he became director of

steel output

THE LATEST figures for steel production show that the strong growth in UK steel out-

put in the past two years is coming to an end. Production

fell in October by 8.3 per cent compared with the previous month and was 13.1 per cent below that of October last year.

This represents the biggest

monthly drop for at least two years, except for the steep falls

always registered in the July

A SOLICITOR was jailed for

four months yesterday for act-

ing for a fictitious client in a house saic. Mr Christopher St

John Farrow, 37, was the third lawyer to be sent to prison as a

result of a series of mortgage fraud trials at Bristol Crown

Court. Mr Adrian Palmer, prosecut-

ing, said Mr Farrow helped an

estate agency manageress to defraud a building society. "He did so by acting for a fictitious client so that the manageress

could buy a house that came on to her books at an inflated

price and keep the proceeds." Mr Farrow, of Hollesley, Suffolk, was convicted of dishon-

estly obtaining a cheque for \$23,730 from Alliance Building

Society by deception. He denied the charge and told the jury he believed the client existed.

North Sea oil find

and August months.

Solicitor jailed

is slowing

Harwell, with a brief to implement a government scheme for funding it partly through commercial contracts. Two decades later, no other government laboratory has rivalled Harwell's commercial achievements.

He was rewarded in 1975 with deputy chairmanship of the UKAEA, combined soon after with the part-time post of Chief Scientist to the Department of Energy. But in the first political setback of his career, he was sacked from the second post by Mr Tony Benn, then Energy Secretary for over-enthusiasti-Energy Secretary, for over-enthusiastically promoting nuclear power.

Sir Monty Finniston, who as chair-

man of British Steel suffered the same fate at the same hands, was to remark later that "Walter sulked for a year." However, Marshall's scientific reputation remained intact. He was elected into the fellowship of the Royal Society at the early age of 37 in 1971 for his work on the theory of magnetism. Mrs Thatcher's Government made him UK AEA chairman in 1981, and knighted him the following year. In 1983 Mr Nigel

Lawson, as Energy Secretary, picked him to head the Central Electricity Gen-erating Board, and specifically to mastermind its plans for a new nuclear

power programme.

Those plans collapsed on Wednesday, when Mr John Wakeham, Energy Secretary, told him the nuclear power sta-tions were not going to be privatised, and there would be only one British Pressurised Water Reactor. There was no longer a job for Lord Marshall. The government had already picked Mr John Collier - a close aide from Harwell in the 1970s - to run its new state-owned

nuclear power company. However, the crucial point was that it was abandoning the PWR after Sizewell B, ostensibly because its power will be too costly compared with fossil-fuelled power. As Lord Marshall understands well, Sizewell B is unlikely to be finished anywhere near its schedule and budget if contractors can see no repeat

Starting 20 months ago, Lord Mar-shall tried to persuade the Government

that it could develop nuclear power only if it retained a large generating company with an obligation to supply. Without such an obligation, the banks would see any big project - coal-fired, tidal - as risky, and require a higher return on investment. Nuclear would be seen as risklest of all, most vulnerable to events beyond its control.

The Government's first attempt to deal with the issue was to give the obligation to supply to the 12 distribution companies. The case was soon to crumble when the Government sought to introduce more competition at retail level, to avoid the distribution companies simply becoming local monopolies. No monopoly simply meant no obliga-tion to supply. That in turn meant a low level of credibility with the banks. Mr Wakeham, when made Energy Secretary last summer, immediately recognised the dilemma. His solution was to put competition before nuclear power. Nuclear power lost out to the Government's wish to privatise electricity, and so has Lord Marshall.



# Growth in | Go-ahead expected for Tube extension

By Kevin Brown, Transport Correspondent

A PLAN to extend London Underground's Jubilee Line from the West End to Stratford via the Isle of Dogs is likely to get the go-ahead on Wednes-day, following the Chancellor's

Autumn Statement.
Negotiations between the Government and Docklands developers on ways of financ-ing the line are believed to have been concluded, and Mr Cecil Parkinson, the Transport Secretary, is thought to have reached agreement with the Treasury on a sizeable public sector contribution to the fibn cost of the line during talks with Mr Norman Lamont, the Chief Secretary.

There was no official comment yesterday from the Transport Department, London Underground or Olympia and York, the Canadian-owned developers of the largest Dock-lands project at Canary Wharf. However, Mr Parkinson

neer scheduled services

between Glasgow and Chicago.
It blames licensing problems
and the effect on aircraft deliv-

eries of continuing industrial action at the American Boeing

aircraft plant in Seattle. UAL's July application to fly

between Glasgow and Chicago

added considerably to the pressure on the Government to

By James Buxton, Scottish Correspondent

UNITED AIRLINES (UAL), the leading US carrier, has with-drawn its application to pio-

dropped a broad hint that the scheme would go ahead in a speech marking the start of major reconstruction work at Angel Underground station. He said: "The Government is

ready to play its part. Whilst I cannot anticipate the Chancellor's Autumn Statement, I think you will find in it evi-dence of our willingness to back London Underground in its drive to give London a Tube system it can be proud of."
The route for the planned extension has not been for-mally announced. It is likely to run from Green Park via Westminster to Waterloo and Lon-don Bridge before recrossing the River Thames to Canary Wharf and then turning north to Stratford, where it will inter-change with British Rail and

London Underground's Central An alternative route which

would take the line through

land using any airport but the under-used Prestwick.

kinson, the Transport Secre-tary, ordered a rapid review of

Prestwick's status. Also in that month, UAL was granted a

licence by the US transport department, but this was

In September Mr Cecil Par-

the Blackwall peninsula in Greenwich has been dropped because of extra costs.

The go-ahead for the extension will almost certainly mean the postponement of plans for a BR gauge line under central London known as the East/West Crossrail scheme, although the project

may be revised later.

That scheme would have greater impact than the Jubilee Line extension on the major problem of central London congestion, but would not attract contributions from

 A future Labour govern-ment would introduce a wide ranging Railway Act to give legal force to British Rail's quality of service targets. Mr John Prescott, the shadow Transport Secretary, said yes-

terday.

The Act would lay down in law the policy objectives that

route inquiry into the issue.

The inquiry would not have been concluded before mid-

April, which UAL says would have left it too little time to

market its new service effec-tively before flights began in

June. Furthermore, because of the delays to aircraft deliveries

by Boeing, it could not guaran-tee to have aircraft available to

BR would be expected to meet, Mr Prescott told the annual conference of the Centre for conference of the Centre for Local Economic Strategies. These would include targets for safety, reliability and passenger comfort as well as broader policy objectives such as helping to relieve road congestion, Mr Prescott said.

BR's performance would be monitored by regional and national regulatory authorities with the power to examine investment programmes, fares policies and management prac-

"Labour will set the financial framework and the policy objectives. We will then give BR the freedom from political interference to get on with the job," Mr Prescott said. He also blamed Sir Robert Reid, the BR chairman, for

route inquiry and American Airlines should soon be granted a licence.

The British Government's review of Prestwick's stains is

expected to be complete in January and to conclude that

making "a fundamental error" in welcoming financial targets set by the Government. UAL shelves plans for Glasgow/Chicago service

#### MPs clash | University funding over energy supply

CURRENT judgements about the limited role for nuclear power stations in meeting Britain's future energy requirements may have to be revised. Mr David Heathcoat-Amory,

Under Secretary for the Envi-ronment, suggested in the Commons yesterday. Supporting the view of Sir Ian Lloyd (C Havant), chairman of the all-party Energy Select Committee, he argued that the emergence of new factors stemming from the need to protect the global environment might affect the price of coal and other fuels and lead to nuclear energy coming back

"into the economic arena." Mr Heathcoat-Amory rejected charges from the Opposition benches that the

Opposition benches that the Government was delaying the international action needed to counter global warming – the so-called greenhouse effect.

Both Mr Allan Roberts, from the Labour front bench, and Mr Malcolm Bruce, energy spokesman for the Liberal Democrats, strongly criticised Mrs Margaret Thatcher, the Prime Minister. Prime Minister.

They contended that the objectives she supported when addressing the United Nations earlier in the week conflicted with her commitment to market forces. Mr Roberts said the Government's actions pre-vented real international anxiwill be monitored cellors: "These 13 institutions will be the subject of additional scrutiny to ascertain the causes of the problems and the institutions' plans to remedy

By David Thomas, Education Correspondent

THE Universities Funding Council, the official body that distributes government cash to the universities, is to monitor a total of 13 university institutions which are forecasting severe financial difficulties over the next few years.

A circular sent this

week by the council to all vicechancellors analysed the finan-cial forecasts to July 1993 submitted by individual universities. UK universities

forecasting a reduction of 2,800 staff in the five years to 1993, coupled with an increase of more than 5 per cent in stu-dent numbers to 360,000 by This means student-staff

ratios will have worsened to 11.8 students to each staff member by 1992-93, compared with 10.8 students in 1987-88. The universities are also pre-dicting a cumulative deficit of £57.4m in the five years to 1993, with deficits mounting rapidly

after next year. The increase in the deficit is largely because the universi-ties are expecting pay increases to staff to outstrip the income they receive from

the Government.

The council's circular says that 13 institutions are forecasting severe financial problems. It does not name the institutions which could be a selected to the second that th

previously forecast.

They are also less optimistic about the rate at which over-seas student numbers will

increase.

Universities believe their research income from sources other than the Government's research councils will be \$51.1m by 1992-93, compared with \$27.4m in 1987-88.

The increase reflects both greater volumes of work from private industry and an attempt by the universities to persuade their customers to cover more of the overheads of research.

research.
The council's circular tells vice-chancellors that each 1 per cent improvement in the rate

cent improvement in the rate at which overheads are covered would generate £2m to £3m for the universities.

However, it also warns vice-chancellors against "significant price increases (for research contracts) which may not be readily accepted and would most likely lead to a reduction in volumes." reduction in volumes

#### transatiantic flights from Scot-land may use Glasgow and pos-sibly other Scottish airports. UAL said yesterday that it was proceeding with plans to institutions, which could be either entire universities or rescinded after American Airoperate the service. lines complained and the department decided to hold a drawal there will not now be a serve other European destina-tions for the first time. colleges of London University. The circular tells vice-chanety being translated into effec-Blue Arrow/County NatWest: the full charges

CHEVRON, the US oil company, has reported a successful oil well drilled 1.5km from its Alba field in the North Sea, about 130 miles north-east of Aberdeen.
The well, which flowed at a

rate of more than 3,400 barrels a day, raises the possibility of an extension to the reservoir, which Chevron believes contains more than 250m barrels of recoverable reserves.

#### Cornwall jobs ioss

COATS VIYELLA, the textiles group, said vesterday it intended to transfer production from its shirt manufacturing unit in St Austell, Cornwall, to another plant in the Coats Viyella group from February.
It gave no figure for total job
losses resulting from the move, but said about 290 employees

would be affected. Coats hopes that some job reductions will be achieved through natural wastage and that other employees can be redeployed in other group operations.

THE INDICTMENT alleges a conspiracy to contravene section 13 of the Prevention of Fraud (investments) Act, 1958, contrary to section 1(1) of the Criminal Law Act, 1977.

□Natwest Investment Bank, County Natwest, UBS Phillips & Drew Securities, Charles Nigel Villiers, Jonathan Cohen, David Reed, Nicholas Wells, Martin Gibbs, Christopher Stainforth, Paul Smallwood and Timothy Brown are charged with:

Between July 1 1987 and Octo-ber 15 1987 conspiring together and with others fraudulently to induce persons to enter into agreements for acquiring or subscribing for securities, namely shares in Blue Arrow, by making statements which they knew to be misleading. false or deceptive, or by dis-honestly concealing material facts, or by recklessly making statements which were misleading, false or deceptive, namely: taken up aft

1.1 by failing to notify the ber 28 1987,

company announcements office of the quotations department of the International Stock Exchange by way of a class 2 announcement (as provided for by section 6 of the Council of the Stock Exchange's admission of securities to listing) following the purchase of shares in Manpower Incorporated for a consideration in excess of 5 per cent of the consolidated net assets of Blue

© 1.2 by concealing the fact that the level of acceptances of provisionally allotted new ordinary shares in Blue Arrow was 38.04 per cent at the expiry of the offer by way of rights issue at 3pm on September 28

9 1.3 by concealing the fact that 54,625,000 new ordinary shares in Blue Arrow were taken up after 3pm on Septem-

issue of 504.4m new ordinary shares in Blue Arrow, accep-tances had been received in respect of 246.5m shares, which represented 48.9 per cent of the rights issue.

ONatwest Investment Bank, County Natwest, UBS Phillips & Drew Securities, Charles Villiers, Jonathan Cohen, Stephen Clark, Elizabeth Brimelow, David Reed, Nicholas Wells, Alan Keat. Martin Gibbs, Christopher Stainforth, Paul Smallwood and Timothy Brown are charged with: Between September 14 1987, and January 8 1988, conspiring together and with others to

defraud such persons who had, or might have had, an interest

in dealing in shares in Blue

© 1.4 by falsely stating that, in Exchange 100 Share Index, connection with the rights namely: namely:

• 2.1 by dishonestly concealing holdings of 19.39 per cent of the share capital of Blue Arrow;
2.2 by falsely stating that ali

the remaining shares not taken up in the rights issue by existing shareholders had been sold in the market;

2.3 by falsely representing that 33,315,528 Blue Arrow shares were held by

County Natwest Securities for the purposes of market mak-● 2.4 by falsely representing that 34,069,433 Blue Arrow shares were held by Phillips & Drew Securities for

the purposes of market mak-

ing:

• 2.5 by dealing off market
with Union Bank of Switzerland in 28,201,743 Blue Arrow Arrow or National Westmin-ster Bank, or in dealing on the Financial Times Stock when, by reason of their

connection with that company, they were knowingly in posses-sion of unpublished price sensi-tive information;

• 2.6 by creating a false instrument, namely a letter of indemnity dated October 5 1987, from Nicholas Wells on behalf of County Natwest to Union Bank of Switzer-

● 2.7 by engaging in a course of conduct which created a false or misleading impression as to the market in Blue Arrow shares for the purpose of creating such an impression and thereby influencing persons who might deal in those shares;

● 2.8 by purchasing and retaining 2,150 Financial Times Stock Exchange 100 Share Index put option contracts to cover a risk of \$51.5m while concealing from the market the true position in relation to

the rights issue and the subsequent placing of shares in Blue Arrow, where Blue Arrow and National Westminster Bank were both component parts of that index;

• 29 by transferring 1m new ordinary shares in Blue Arrow from Natwest Investment Bank to County Natwest Securities to account for a similar hold-ing by Handelsbank Natwest and falsely representing that those shares were held by County Natwest Securities for the purposes of market mak-ing.

e 2.10 by failing properly to account for the acquisition, distribution and disposal of 66.6m Blue Arrow shares held by Natwest Investment Bank and County Natwest in the records required for accounting purposes by Natwest tment Bank and County

2.11 by failing properly to account for the acquisition, distribution and disposal of 34,069,433 Blue Arrow shares held by Phillips & Drew Securities in the records required for accounting pur-poses by Phillips & Drew Secu-

poses by running at liter book-rities;

② 2.12 by falsely representing that County Natwest had become interested in 9.5 per cent of the issued share capital of Blue Arrow on December 17 1987, and that the board of Blue Arrow had been informed of that interest;

• 2.13 by concealing the true position in relation to the rights issue from the Bank of England, the International Stock Exchange, National Stock Exchange, National Westminster Bank and/or the board of directors of Blue

Arrow:

2.14 by falsely representing that the rights issue had been honestly and successfully completed by reason of their general skill, competence and dili-

Stress plays

absenteeism,

study shows

By John Gapper, Labour

Industry employers' conference in London heard that a study of 36 organisations had

found strong correlations between the way organisations operated and staff turnover, absenteeism and feelings of

organisational psychology at Nottingham University, told

the conference that the degree of help individuals received in

solving work problems was an accurate predictor of absentee-

well being. Mr Tom Cox, professor

strong role in

# More ambulance workers ban non-emergency calls

By Flona Thompson, Labour Staff

AMBULANCE workers in 25 of England's 44 regional health authorities have now banned

all non-emergency work.

The escalation of action outside London came as leaders of Britain's 22,500 ambulance workers yesterday dropped some subsidiary damands from their pay claim as a "goodwill

their pay claim as a "goodwill gesture."

The shelving of claims for a cut in the working week, more holidays, and extra pay and holidays for long service, was aimed at breaking the deadlock in the eight week dispute, said Mr Roger Poole, chief trade union negotiator.

The unions were standing firm on their demand for an improvement in the Government's 6.5 per cent pay offer.

ment's 6.5 per cent pay offer, however, and for a pay formula which would guarantee annual

The onus was now very firmly on Mr Kenneth Clarke, Health Secretary, to call for peace talks, said Mr Poole. The union leaders would meet on

NUM not to

ballot on

By Our Labour Staff

strike action

THE NATIONAL Union of Mineworkers yesterday decided not to ballot its members

immediately on industrial action either over the imposi-tion of a pay deal or British Coal's proposals for new flexi-ble holiday arrangements.

The pay increase, which gives face workers a basic weekly wage of £183.25, is the second stage of a two year deal agreed with the Union of Dem-

ocratic Mineworkers. Mr Arthur Scargill, NUM president, said his union had not agreed the increase.

The conference also decided

against immediate industrial

action ballots over the British Coal's proposal for flexible hol-

idays. However, Mr Scargill said the union might still bal-lot its members if British Coal

The new pay offer increases wages by between £10.80 and £13 per week for underground

imposed the arrangements.



Thursday "to consider what further action to take" if talks did not take place soon.

The unions did not want to have to increase the pressure, but the Government "should be under no illusions about our determination to press on," said Mr Poole. "We will not see

ambulance staff bullied, threat-ened or starved back to work." Ambulance workers in the 25 areas which have stopped nonurgent work have - in most cases - excluded from the ban cancer, maternity, and renal dialysis patients, children under 14 and patients designated by family doctors as in London, ambulance work-

ers were again suspended with-out pay at all 71 stations for refusing to operate radios as management wanted Troops, voluntary agencies and the police continued to answer 999

The unions claimed that hospitals in London were by-pass-ing official control channels and going direct to ambulance

and going direct to ambulance stations to get help.

The Department of Health said last night it could not comment on the proposals made by the trade union side until it had received a letter from Mr Poole detailing the

ism levels.

He said re-training and career development schemes were found to raise staff turnover, because they gave individuals greater opportunities. However, they also reduced the levels of anxiety and stress in the company.

the levels of anxiety and stress in the company.

Working in 'teams to solve problems also reduced levels of stress. Companies that were organised in this way had less absence from work and were also perceived as good organisations for which to work.

Mr Cox told the conference that observe due to stress cost

that absence due to stress cost industry 10 times more than industrial disputes. British levels of absence were also double those in some Euro-

pean countries.
Mr Alistair Sinclair, British
Steel's chief medical officer, said the corporation had found that a lack of planning in work organisation and the allocation of tasks could raise stress levels significantly. In one incident, two employ-

ees — who were monitoring equipment worth £65m — had been subjected to 5,200 alarms during a single eight-hour shift. Each alarm required three buttons to be pressed simultaneously to shut it off. Mr Sinclair said British Steel was broadening its defi-nition of occupational health and safety to include limiting

## Teacher training plan 'draws wide interest'

By David Thomas, Education Correspondent

INTEREST among education authorities in a new form of on-the-job training for mature entrants to teaching is strong, the Government claimed last

THERE IS a strong Under the Government's plans, people aged over 26 will be able to receive on the job relationship between absentee ism and the degree of stress individuals encounter from the way their work is organised and the amount of support training at a school, instead of spending a year at a teachers' training college. they receive from others, a conference on occupational stress was told yesterday. The Confederation of British

Most of the teaching unions have opposed the scheme, known as "licensed teachers," largely because the licensed teachers need only two years

of higher education.

Mr Alan Howarth, Schools

Minister, disclosed in a speech last night that 49 of the 97 English education authorities have applied for funds to train licensed teachers from next

April.

Speaking to the annual conference of the Universities Council for the Education of Teachers in Oxford, Mr Howarth said many of the bids were submitted jointly by education authorities and teacher adjustion on the bids were submitted to be submitted.

education establishments.

He also revealed that 32 consortia of education authorities and teacher training colleges have bid to take part in the pilot phase of "articled teachers" - another government attempt to shake up teacher

training, Under this scheme, new graduates will be paid a bursary to train on new, school-

based Postgraduate Certificate of Education courses. The pilot phase will be launched next September, and it will cover 600 grad-

uates.

Both the schemes reflect the Government's interest in diver-sifying the routes into teaching and ministers' dissatisfac-

- and ministers' dissatisfac-tion with some aspects of tradi-tional teacher training courses. Mr John MacGregor, Educa-tion Secretary, yesterday issued new guidelines to the main body responsible for overseeing the quality of teacher training, the Council for the Accreditation of Teacher Training.

Teacher Training.

Under the new guidelines, all teacher trainers will have to spend at least one term in a school every five years, from 1992 onwards.

Students training to teach in primary schools will also have to devote 100 hours of their studies to science, in addition to the 100 hours each already required for maths and English.

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# against dangerous wastes

up their campaign against toxic waste, because of renewed concern that containers of polychlorinated biphen-yls (PCBs) could be reaching British ports without adequate

men has written to its local offices to instruct members to report any toxic waste ship-ments imported into Britain. The move could pave the way for further industrial action on

Local NUS officials are also being told to liaise closely with other transport unions, includ-ing the National Union of Railwaymen and the TGWU trans-

Between 1987 and 1988, Britain imported 80,000 tonnes of hazardous waste, of which 5,000 tonnes was either pure PCB oil or PCB-contaminated material like disused trans-

The two main importers are Rechem and Cleanaway, spe-

# Unions step up campaign

nies. Each runs an incinerator for burning PCB materials — the only two in the UK that

regulation.
The National Union of Sea-

cialist waste-disposal compa-

handle such substances.

The National Association of Waste Disposal Contractors said it was confident that the two companies' PCB imports were properly regulated.
It had "no knowledge" of

other, unregulated PCB imports. "If the NUS can point to instances where PCBs are coming in illicitly, we would like to hear about them." The association said it had been campaigning for some time for tighter controls on

waste imports to check on "criminals," who were ship-ping PCBs into Britain without entering the details on customs documents.
At the TUC Congress in September, delegates voted to urge all trade union members to refuse to handle imported waste, as part of a wide-rang-ing commitment to the protec-

tion of the environment.

#### Beta faces derecognition threat at Thames Television

By Our Labour Editor

THAMES Television said yesterday it was considering derecognising the Broadcasting Entertainment and Trades Alliance, following a dispute over changes in working practices which the union has rejected.

Mr Mark Stephens, Thames director of staff relations, said derecognition of the union was derecognition of the union was "an option." He said the company was unhappy about the way in which Beta had consulted members before it

rejected the new arrange-The company has written to leaders of Beta and the KETPU electricians' union saying that from November 27 it will impose new working arrangements to allow greater rostering flexibility and cut overtime warming rates.

Thames is imposing an 8 per cent pay increase with the new

arrangements, which apply to about 700 Beta members in clerical and studio services and award will be backdated to July if the changes are agreed.
Mr Stephens said he had asked Beta to ballot its members on the changes, after two separate meeting at Thames' Teddington and Euston studios had rejected them.

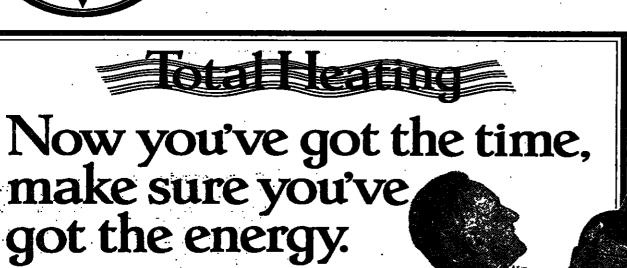
The company was now considering whether to take further action over the consultation procedures, because it believed the result had been unrepresentative of the views of most Beta members.

Mr Vincent Feiner, Beta national officer, said about 300 Beta members had attended the two meetings. He added the union had offered to hold fur-



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Saturday November 11 1989

# A concert of Europe

THE DISMANTLING of the Berlin Wall is what the Atlantic Alliance has always wanted. So, too, have the great majority of East Germans. More recently, the Soviet Union gave a shove and now what is left of the East German leadership has gone along. The surprise is the speed with which it is all happening.

There is a lot else that the Atlantic Alliance has wanted over the years: free elections, for instance, and an end to military confrontation. The challenge now is to preserve the stability of the post-war settle-ment while adding the demo-cratic dimensions. To meet it requires at least as great an understanding of the basis of the original stability as of cur-

The western countries have never had a single approach to the future of Europe. On the one hand, there was defence, exemplified by Nato. On the other, there was economic integration, expressed through the European Community. A politi-cal dimension straddled the two. The members of Nato were (most of the time) democracies. The Community was striving for political integra-tion. But, on the whole, the concept known as the West consisted of overlapping strands rather than being a single entity.

#### Balance of power

In defence, Nato was paral-lelled in the East by the War-saw Pact. Although there were times when the cold war threatened to become hot, there has generally been a bal-ance of power that made war in Europe unlikely. That situation still exists.

In economic terms, the West won the competition with the East hands down. Comecon was never a patch on the Euro-pean Community. Yet it was in the political arena that the West even more clearly had the edge. The East Germans have demonstrated that by voting with their feet. President before by introducing elections and glasnost in the Soviet Union. Without his lead, it is improbable that either Poland or Hungary would be on their present course to democracy, and it is unthinkable that the East German regime would be granting freedom of move-

These developments are wholly welcome. They are the most important in Europe world War. The question arises, however, of how far Europeans should simply sit back and watch events take their course and how far they should seek deliberately to shape what may amount to the

There are three elements involved: security, economic prosperity and democracy. On security, the imperative is to advance at all possible speed towards further measures of arms control. The machinery for such negotiations exists: in Vienna, for cuts in conventional forces, and between Moscow and Washington for

reductions in strategic weap-

#### Needless provocation

In the interests of stability, the negotiations should be based on the maintenance of the present alliances. It would be an unnecessary provocation to Moscow to demand at this stage that East Germany should leave the Warsaw Pact. A counterpart would be for the Soviet Union to accept a continued American military presence in Europe. The aim should be security at a lower level of armaments and, incidentally expenditure dentally, expenditure. If East Germany were the

only eastern country involved, it would not be impossible for it to join the European Com-munity, though membership of the Warsaw Pact makes it hard to envisage. Whatever its political failings, it is not economically backward and is already a back-door member. The fact is, however, that other eastern countries are at a different level of development and could not become full members in the near future, even if the pol-itics allowed it. Negotiations on various forms of co-operation have long been under way: they must now be accelerated. even if it means reconsidering what the nature and long-term objectives of the Community are. A looser, wider grouping may be a possibility; a two-tier Community of advanced and less-developed members is not out of the question.

There remains the question of democracy. The very exis-tence of the East German state may be challenged. If the majority of the East German people were to opt for some form of union with the Federal could hardly stand in their way. An important point, however, is that there are ways in which the two Germanys could come closer together that fall short of reunification: confed-

What the East Germans need now are free elections and time to sort themselves out. No one should seek to interfere in this process. But equally no one should overlook that some of the old certainties of post-war Europe have gone. The search now is for a new stability no longer based on the division of the continent.

eration, for example.

# Marching in the vanguard of history

The entire German people is called upon to achieve in free self-determination the unity and freedom of Germany
Preamble to the Federal Republic's 1949 constitution

he division of Germany has been a historical accident, born of Hitler's war and the post-1945 superpower confrontation, waiting one day to be undone. At breakneck pace that day

undone. At breakneck pace that day now seems to be approaching. Yesterday's wave of humanity washing through the Berlin Wall marks the crumbling away, almost literally overnight, of the ugliest symbol of the post-war world — and the pushing into place of the building blocks of a new Europe.

Barely in history can an event

Rarely in history can an event desired by so many, deemed possible by so few, happened with such remarkable speed. The build-up of protests over the past month in East Germany, culminating in the decision on Thursday evening to over the amion Thursday evening to open the emi-gration floodgates unleashes a torrent of questions over the future of central Europe to which neither East nor West has ready answers.

After 40 years of entrenchment in eastern Europe, Communist hegemony is beating a retreat almost everywhere. The reformist policies of Mr Mikhail Gorbachev, the Soviet leader, have broken through into Poland and Hungary, and are now invading the state set up in 1949 as the Stalinist mirror-image of the capi-talist, US-inspired West Germany.

At the same time, with the shift to the East in West Germany's preoccu-pations, the forces binding Bonn to

the European Community and Nato are almost inevitably changing and perhaps losing their strength. The partition of Germany was the result not of a concrete policy by the victors of the Second World War but, rather, of the absence of one, as the anti-Hitler coalition split in cold war

acrimony.

The phase of apparently stable divi-sion has coincided with unparallelled peace and prosperity in the western half, repression and constant pressure

to emigrate in the East.
That era now appears to be passing. many; now it is going out again. And shimmering on the sands of Europe is the outline, as yet barely discernible, of a new resurgent German nation.

of a new resurgent German nation.

The short-term consequences of the latest events in East Berlin are barely calculable. They span from a further huge outflow of refugees — which could conceivably destabilise West Germany — to a consolidation of a reformist East German government, or, most dramatically of all, military intervention by the Soviet Union.

Whatever happens in the next few weeks, the dominant magnetic force in Europe is the one pulling the Germans together over the Berlin Wall, towards a form of unity which is not

Many of the leaders of the frag-mented reform groups in East Ger-many – people who could be fighting free elections next year, and taking up roles in a future East Berlin Gov-

ernment – declare they do not want a reunited Germany.

Neither, most importantly of all, does Mr Gorbachev. He declared as recently as October 6 in East Berlin

that an ending of German division could destabilise Europe.

However, the mass of the population in both East and West Germany probably broadly favours reunification – even though few, arguably, are ready for it.

ready for it. Opinion polls in West Germany have regularly shown that 70-80 per cent of the populace supports the goal of unity, even though only a small percentage has thought it feasible in the foreseeable future.

Assuming the transition to free elections, political pluralism, and a more market-oriented economy goes relatively smoothly over the next year, a non-Communist East German state could soon be born. One of the problems in managing the transition is the utter lack of experience and organisation of the East German

opposition. Many in East and West would like a reformed East Germany to be viable on its own. But, with the same number of people — just over 16m — as West Germany's most populous state, North Rhine Westphalia, the new East Germany would turn inevitably to the 6im fellow-Germans in the West for political and economic support. The pressures to unite, perhaps in a form of federation, would be almost irresistible.

The conditions under which the Soviet Union might allow this to happen – perhaps the withdrawal of all foreign troops from German soil – will be of the utmost importance. Senior West German ministers admit the handicap of having little idea of Moscow's long-term intentions towards Eastern Europe in general and East Germany in particular. On

one thing, however, they all agree –
history is in the making.

Mr Egon Bahr, the Ostpolitik strategist of the opposition Social Democratic Party, said last week: "My God! What we are witnessing is history. There is no insurance against his-

Mr Gerhard Stoltenberg, the West German Defence Minister, who has played an important role in advising Chancellor Helmut Kohl over East Germany, in recent weeks, points to the meteoric rise of the East German people's new self-confidence to stand up to their own Government. "Those who attracted fear are fearful. Those who feared are now fearless."

who feared are now fearless."

A surge of German pride over the East Germans' revolt against the authorities has come to the surface. The left-leaning Frankfurter Rundschau, whose editor says he does not believe in reunification, declared in an editorial two days ago that "our compatriots" in East Germany were showing the world "the first German revolution with a chance of ending revolution with a chance of ending

There has been a similar switch in attitudes in East Germany. Mr Manfred Gerlach, the leader of the East German Liberals, closely allied for years to the ruling Communist Party (SED), has started to give inter-

views claiming to have been a closet reformist all along. Mr Otto Reinhold, one of the SED's main ideologues, now talks of a "market-oriented

FT writers on the implications of the heady pace of change in East Germany

planned economy."

Mr Kohl is making clear that a commitment to free elections and economic liberalism will be the key to unlocking a big increase in economic support from the West. In view of the pressures from inside and outside, how long Mr Egon Krenz, the SED leader, who took over less than a month ago, remains in power is almost a secondary question. Atten-tion is likely to focus on his possible successor. Mr Hans Modrow, the reformist party leader from Dresden, must have a good chance after his elevation to Prime Minister this week. In West Germany a further flood of East German fugitives, following the year, could lead to a backlash. A squeeze on housing is already causing

will complicate still further Mr Kohl's task of winning the general election at the end of 1990.

One leading SPD deputy this week commented that many of the intake from East Germany and other parts of Eastern Europe were likely to wate for Eastern Europe were likely to vote for Mr Kohl's Christian Democratic Union. But the far right Republicans Party, which is whipping up protests from less-well-off people unhappy about competition for jobs, flats and social security, could win an additional 500,000 votes enough to the the

unrest in the electorate. If the econ-

omy flattens next year, a further flow of emigrés on to the labour market

tional 500,000 votes, enough to tip the electoral balance, the SPD deputy At least, however, Mr Kohl will be going into the election run-up in the going into the election funding in the strong position of having indirectly encouraged radical changes in East Germany. He said this week that he had no intention in giving in to any attempt by Mr Krenz to blackmail West Germany by subjecting it to an uncontrollable stream of refugees.

cards, the Chancellor said: "Why are tatis, the charies in spite of the personality changes, it is because they have no confidence in the future." He added that a further exodus of doctors, nurses and skilled workers would damage Mr Krenz more than it would him. more than it would him.

Confident that he has the better

Mr Kohl's decision to fly home hast-ily from a visit to Warsaw to attend a rally yesterday evening in West Berlin shows that the 1990 West German election campaign – likely to be dominated by reunification issues – has already got under way.

The Chancellor said he was anxious

not to offend the Poles by breaking off his trip to Poland - but decided to go to Berlin all the same. Balancing sensitivities in both East and West in the coming months will present Mr Kohl with a political juggling-act of a Bismarckian proportions.

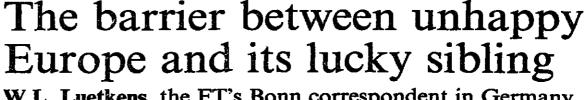
As for the East Germans, they are, for the moment, triumphant, if shocked, by success. The slogan on the lips of protesting East Germans on the streets of Berlin, Leipzig, Dresden and many other cities over the last month - Wir sind das Volk (We are the people) - has reverberated

around Europe. around Europe.

The last time there was mass unrest in East Germany was in June 1953, when a short-lived uprising was put down by Soviet tanks. Then, the East German poet, Bertolt Brecht, wrote sardonically that, since the East German Government had lost confidence in the Volk, the Government should now "dissolve the people and vote in a new one." and vote in a new one."

Now the tables have been turned. Now the tables have been turned. The Germans from East and West, who shook hands and drank champagne at the Wall in the small hours of yesterday morning, are in the vanguard of history. The world is watching which way they go.

David Marsh



W.L. Luetkens, the FT's Bonn correspondent in Germany from 1958 to 1969, recalls the creation of the Berlin Wall

he worst about the Berlin Wall and all that went with it was how easy it was to accept, how-ever reluctantly. When the Wall went up on August 13 1961, it was a gaping wound. Soon it had become yet another scar in a city still scarred by the war. Graffiti spread over the grey stone slabs – only on the western side of course – many of them as apolitical as those on the London Underground.

The Wall also became an uncomfortable reminder of how an unscrupulous regime can play upon people's fears. Journalists harder boiled than the then FT correspondent in Ger-many may not have felt it: but whenever he crossed the Wall or the barbed wire on his way back to the West, he felt a twinge at leaving the people of the unhappy half of Europe to return to the lucky part. But there was also the nagging thought that some East German, desperate to get out, might have crawled into the boot of the westerner's car for a lift to freedom which would have landed both him and the visiting inversalist. both him and the visiting journalist deep in the soup. While the Wall was still going up, a

group of British reporters crossed over to the East, to find out whether it was intended not only to keep East Germans in, but also to keep out citizens of the western powers. So the party went eastward, rounded a block of buildings and went west again at

the same checkpoint. The very large police woman who checked papers looked contemptuous: "Did you want to show you had guts?" The party put on bold faces.

It was not so easy for East Germans and East Berliners, though many hundreds did manage to get out. Some barged across checkpoints in their cars; some tunnelled their way under the Wall; a group of teenage boys clambered over the Wall and its barbed wire defences for little more barbed wire defences for little more than a dare. The most elegant escape was that of a pole vaulter who leapt. The FT saw the business implications at the time: the drying up of a stream of East German refugees

Graffiti spread over the grey stone slabs only on the western side, of course

would end the West German "eco-nomic miracle." Did it? At any rate, the building of the Wall coincided with a West German election cam-paign. Dr Konrad Adenauer, the Christian Democratic Chancellor, the himself no good by the best pages of the himself no good by not hurrying to the scene (though he did, as always, go on to win). His Socialist opponent, Mr Willy Brandt, then Mayor of West

Berlin, grew into a national figure, enabling him to become Chancellor a few years later. In August 1961, when tempers were running high, and when even a slight miscalculation might have caused a grave incident, Mr Brandt calmed his West Berliners with a masterly speech echoing their indignation yet gently dissuading them from marching to tear down the Wall. As be finished rain began to fall

and the crowd dispersed.

During the following years the Wall became something of a tourist attraction. A special viewing platform was built on the western side to give visiting big shots an instructive glance into the communist chamber of horrors beyond. When it was the turn of a certain British Prime Minister he a certain British Prime Minister, he clambered up, stared eastward, states-manlike; then, hearing the click of a photographer's shutter, did a smart about turn and stared at the camera, statesmanlike as before.

statesmanlike as before.

The platform became something of a joke in West Berlin. Of visiting bigwigs from the poorer countries it was said: "Go East Berlin, admire Wall, get aid. Then go West, deplore Wall, get more aid." Not very funny, but then, what could be cheerful about their Wall except its countries disconthat Wall except its complete disap-

pearance?
Yet in a wry sort of way, even the Wall had another aspect to it the best thing about it was that in the long run it proved unacceptable after all.

#### Where the unimaginable happens every day

ermany enjoys, if that is the right word, credibility as a country which somehow knows its own destiny. Outside it, German requification may be feared or applauded. Inside, in Bonn, Frankfurt and Hamburg at least, there is no dispute about its ultimate desir-ability. The question of how to get from A to B, and what it then means for the future of Germany and Europe, elicits much less of a sense of purpose and much more caution. It was, for someone with no preten-

sions to expertise in Germany, nothing less than remarkable to be in the Federal Republic this week. Events in East Germany were the only topic of conversation – with civil servants. politicians, one ex-Chancellor, diplo-mats, bankers and writers; all these took place before the Wall was opened on Thursday night and all produced expressions of amazings at the pace of change.

Uncertainty creates unholy bedfel-lows. Helmut Schmidt, the Social Democrat former Chancellor who always knew his mind and was never afraid to suggest what others should think, was in East Germany last week and found that people "knew what they were against but less what they were for." He added: "As yet, they do not talk of German unity."

Gerhard Stoltenberg, now the Christian Democrat Defence Minister and for six years before a Finance Minister also given to certitudes, con-fessed: "We have to reassess East Germany nearly every day." He had thought that reunification would not be on the table until the next century "but now it is here." But he wants East German "self-determination" to

Rgon Bahr, still in the Bundestag for the Social Democrats and archi-tect of Willy Brandt's Ostpolitik, agrees, which he rarely does with Mr Stoltenberg. So does Ms Irmgard Adam-Schwaetzer, the Free Democrat Foreign Minister of State, who sug-gests: "All this talk of reunification is not very relevant."

For all Helmut Schmidt's known contempt for the leadership qualities of his successor as Chancellor, he would not criticise the substance of what Helmut Kohl has done to date, including Wednesday's call for free elections. The Federal Government. elections. The Federal Government. he said, has got it "more or less right" in integrating those refugees who have already crossed while not overtly encouraging an ever-greater exodus. He would do more for East Germany — for example, in the creation of a German-German development bank, funded mostly by Bonn but possibly with European Community participation — but still feels nity participation — but still feels that its evolution, and Bonn's role, should be on a "step-by-step"

Such an approach is echoed universally if not in precise detail. Egon Bahr talks of East Germans becoming "owners" of their own country through the reform process rather than being simply "the governed." Ms Adam-Schwaetzer says it must be left to the East Germans to decide "if

Ms Adam-Schwaetzer says it must be left to the Rast Germans to decide "if they want to be the 12th Länd."

Eckhardt van Hooven, from the supervisory board of Deutsche Bank, accepts that East Germans are fighting for freedom — "but not necessarily for capitalism." He thinks the Federal Republic can help a lot in this respect, but "Kohl can't tell Germans that we will give money to every that we will give money to every Communist in sight." Aid to East Germany, he suggests, may have to be more conditional than, for example to Polyania. ple, to Poland.

ple, to Poland.

The European dimension looms large. For Joachim-Gottfried Bitterlich, of the Chancellor's office, events in eastern Europe make the EC's Strasbourg summit next month even more "vital" and it should be used as an opportunity to make the Community even more dynamic, requiring, perhaps, another Kohl-Mitterrand tôte à tôte beforehand. Schmidt seems to think France can help anchor West Germany in the Community. Van

tôte à-tête beforehand. Schmidt seems to think France can help anchor West Germany in the Community. Van Hooven says: "Now it behoves our European friends to make us feel more European," rather than the other way round.

Helmut Schmidt finds "no symptom" of a German tendency to "walk a line" between East and West, and by implication away from the EC, but warns that "bickering" over the details of Community integration—such as monetary union—would not be "helpful." He thinks Strasbourg should come up with a programme to help revitalise eastern Europe, under French leadership, supported by the Federal Republic and "hopefully with the UK—but you never know."

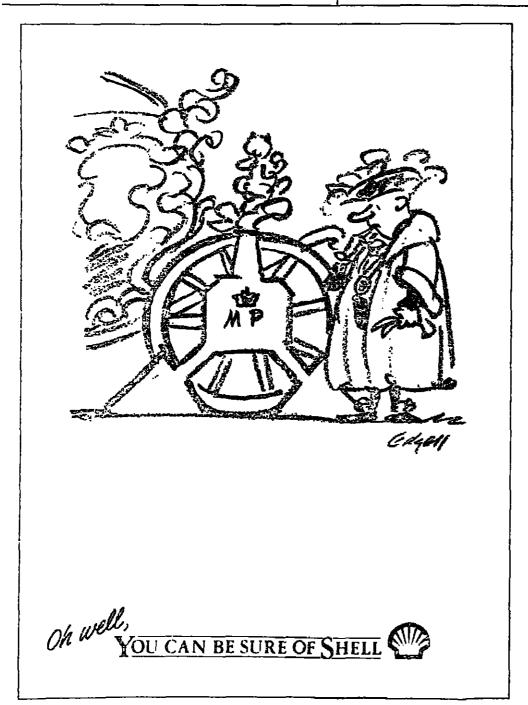
It was Egon Bahr, however, who provided the most carefully wrought future scenario, involving three trains more or less moving in the same direction at similar speeds: the arms control process between the superpowers, the strengthening of the EC, and the reform process in eastern Europe. The end product might be, perhaps early in the next century, a dismantling of the two alliances, Nato and the Warsaw Pact, and their replacement by what he calls a European Peace Control Organisation, essentially a monitoring force.

In the meantime, West Germans

In the meantime, West Germans acknowledge that the tricklest task in the immediate future will be to persuade their brothers in the East that their freedoms might not include that of association; that for East Germany to leave the Warsaw Pact prematurely might jeopardise what now seems attainable.

Schmidt, Bahr and Stoltenberg Schmidt, Bahr and Stoltenberg think that, whatever happens to troop levels, Nato's role will be, if anything, even more important in the next few years. Ms Adam-Schwaetzer put it hest: "We cannot imagine the Soviet Union giving East Germany away." But then, the unimaginable is now an everyday event. now an everyday event

Jurek Martin



here was no time to call an ambulance when Roger Pools was whisked into hospital a couple of months ago with all the symptoms of a heart attack. He was simply bundled into a col-

league's car. So he did not have the So he did not have the chance to enjoy the tender, loving care he ascribes to the ambulance crews whose battle he is now fighting. Mr Poole leads the trade union side in the dispute which is making the health service look increasingly poorly – temperature rising, no sign of improvement – and which has left London's emergency ambulance service emergency ambulance service in the care of military para-

in the care of mintary paramedics and the polica.

There is something of the 1860s in the notion of tender loving care. And in Roger Poole for that matter.

While many of his generation are now faintly embarrassed by their raw idealism then Poole at 43, still clearly

then, Poole, at 43, still clearly relishes the period and regards it as formative. After leaving school in Bristol at 15 with no qualifications, followed by an incredibly buring factory job on a capstan lathe, two years in a garage then some time on the security staff at Bristol docks, Poole wandered around north, central and south America for a few years with a group of friends.

Despite the double decker bus they were going to take around the world sinking in a river in Peru, the experience was plainly a heady one and has marked him.

"It was the Vietnam war, yeh?" he says, with that dis-concerting habit he has of ending sentences with a question. ing sentences with a question. Young people were breaking away from traditional ties, inaking their own way in life.

"We were perhaps the most fortunate generation that has ever lived. There was plenty of work so we had money in our pockets, no fear of unemployment, and incredible hope for the future. We thought we were really going to change the world."

Is he disappointed? "Not entirely." He believes the wheel is about to turn full circle. "People from that genera-tion are now aged between 37 and 46. If enough of us have kept enough of those values, well, we're just getting our hands on the levers, yeh?".

But the levers in this long running dispute are being firmly pulled by Mr Kenneth Clarke, the Health Secretary. That said, he appears to have set them on a collision course.

After eight long weeks, both sides are pretty much where they were when they began. The unions say the 6.5 per cent pay offer must be improved,

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#### MAN IN THE NEWS

**Roger Poole** 

# Union advocate of 'tender loving

the Government will not budge on the money or put the issue to arbitration. But while both sides shout, the non-urgent side of the

By Fiona Thompson

ambulance service, represent-ing 85 per cent of total work, is t grinding to a halt throughout the country, and the increasingly precarious state of London's 999 emergency service looks like spreading beyond the capital.

London ambulance staff have been suspended without pay for refusing to operate their radios in the way management wishes them to, but they are remaining on post and insisting they are available to anyway emparate wells. While answer emergency calls. While troops, voluntary agencies and

The ambulance staff did not want to take action. We went through three ballots'

the police are answering many of these calls, the authorities have admitted that ambulance have admitted that ambulance crews are still being sent out and the unions claim the stop-gap forces are losing their grip. It is debatable whether quibbling about pressing or not pressing a radio button — the cause of the suspensions in the capital — is the right way to conduct a dispute. But both sides know London is where sides know London is where pressure must be kept up.
The country's 22,500 ambu-

in the article that black people lack skills and ability. Various

research challenges this, including a Commission for Racial Equality report cited by

you in your graduate recruit-ment survey of November 1 -

which showed, for instance, that in 1985, 72 per cent of eth-nic minority graduates did not receive a single job offer in their final year, while the cor-

responding figure for white students was 53 per cent.

Insufficient prominence was given to the all-round benefit

to Rover contributed by its black staff, or indeed, to the

overall improvements in staff

selection methods and human

resource policies and pro-

The Fullemploy Group, County House,

190 Great Dover Street, SE1

grammes

lance workers are seeking 11.4 lots." His members, he says per cent, to give them parity with a fifth year firefighter, and a pay formula similar to those enjoyed by the police and fire services which would trig-ger automatic pay rises. In return the unions would sign a

no-strike deal. Mr Clarke, in his constant Mr Clarke, in his constant television appearances, fre-quently gives the impression of positively loathing Roger Poole, and his union, the National Union of Public Employees (Nupe). And while five unions are involved in the dispute, it is Nupe that the Health Secretary constantly singles out for criticism.

Mr Poole regards Mr Clarke as "a bit of a street fighter, he loves a bruising battle," but does not see himself in that role at all — despite his love of dark suits with wide stripes that bear more than a passing resemblance to gangland

"I admire Clarke's intelli-

"I admire Clarke's intelligence and his willingness to sit down and have an open argument, but he is afraid to stand up to Mrs Thatcher.

"The NHS has got to have more money. If Clarke was prepared to stand up and fight for those resources we wouldn't have the problems we do now."

Mr Poole has been a trade mion official since 1971 and union official since 1971 and plainly has a deeply felt admi-ration and respect for the nurses, ambulance staff and ancillary health workers he



were asked to make a choice they should never have had to make - between their patients and their families. But what alternative faced people who could take home less than £150 after five nights plus weekend

work? A qualified ambulance worker earns £10,093, against a firefighter's £12,047 or a police constable's £11,676.

constable's £11,676.

Interviews with ambulance staff reveal the guilt felt about the people suffering as a result of the overtime ban and ban on non-urgent work. But there has been remarkably little pub-lic criticism of the ambulance workers. Even some Tory back-benchers have expressed sup-

port for their claim.

The Government argues that the ambulance workers, alone the ambulance workers, alone of the three emergency services, should not have a pay formula because the vast majority of their work is non-urgent, taxi, work. The unions believe that all people needing transport to hospital as out-patients should have trained ambulance staff carrying them.

ambulance staff carrying them. While acknowledging there was an element which could be separated off, Poole insisted that the care of the old, the mentally ill, mentally handi-capped and severely disabled could not be hived off to taxi firms."

As each week passes, the attitude of ambulance crews is hardening due to their own "The ambulance staff did not want to take industrial action.
We went through three bal-

# Richard Waters examines the Serious Fraud Office Still to win

he Serious Fraud Office badly needs a win, Like a football team after a shaky start to the season, the fraud team set up 19 months ago to spearhead the fight against serious or complex fraud cases has yet to win a big case. Until it does, there must be serious doubts about its effectiveness.

Although yet to obtain a major conviction, the SFO has been lavish with its charges. Mr Ernest Saunders, chairman of Guinness, faced more than 50 of them (legal restrictions prevent reporting of whether this list of charges has been whittled down or left as it is for the one or more trials due

lt has obtained a reputation in the City for taking a broad approach to criminal charges, rather than trying to gain convictions on tightly drawn technical offences

if there was any doubt about the SFO's tough prosecution policy, it should have been dispelled by events stemming from the Blue Arrow affair this

No fewer than 11 City bank-ers, stockbrokers and lawyers were rounded up in the now-fa-miliar dawn raids favoured by the fraud squad officers. All were charged with conspiracy to defraud, with eight of them also facing charges of conspir-ing to break section 13 of the Prevention of Fraud (Invest-ments) Act, which carries a maximum penalty of seven years in prison.

The charges relate to the

way the failure of a £837m rights issue for Blue Arrow, and a subsequent attempt to place shares with institutional investors, was kept from the market. In circumstances remi-niscent of the Guinness affair, City professionals are being charged with manipulating the market in a company's shares

at a crucial moment in its cor-porate life - although the Guinness case also saw charges extending beyond the narrow confines of the City. The Blue Arrow charges could be make or break for the SFO. Failure in this, one of its most ambitious prosecutions, and one of its first major cases mounted from scratch, would raise serious doubts about its abilities. It might also encourage the City to think that the practices at the heart of the charges, involving allegedly

This is not the first major case to catch the public eye

inducing investors to subscribe for shares on the basis of "mis-

leading, false or deceptive" statements, are merely unethi-



Philips & Drew, who is one of the 11 City figures facing criminal charges in the Blue Arrow case

that the SFO has been responsible for from the start. The investigation into Barlow Clowes was launched in the summer of 1988, soon after the fraud office came into being. However, the Blue Arrow charges strike deeper into the heart of the City than this, implicating a raft of senior executives from two leading City houses, including (unusu-ally) the houses themselves. Experience with recent cases

illustrates the difficulties the Fraud Office has had with the other major investigations on its hands. These include:

The acquittal this summer of the two defendants in the Alexander Howden reinsur-ance trial, Mr Ian Posgate and Kenneth Grob, marked the end of a case stretching back to 1982. It signalled the failure to gain a conviction in what was one of the most notorious episodes in the City in the first half of the 1980s, and one of the major cases to prompt the extensive shake up of the Lloyd's insurance market.

 The delay in bringing the Guinness case to court. Charges were brought in 1987, and the court case is due to begin early next year. The pretrial hearings have already become the subject of reporting restrictions, making it impossible to report how the SFO plans to present its hugely complex case to the jury (or jurles, since their may be more than one trial to make it easier for the case to be explained to an inexpert jury).

The investigation into the House of Fraser takeover of Harrods. The SFO has been

frustrated in its attempts to investigate the involvement of the Al Fayed brothers, owners of House of Fraser, because of difficulties in gathering infor-mation abroad. Problems with handling international investigations have also been singled out by SFO director Mr John Wood in another case, that of Alexander Howden.

Charges resulting from the

Barlow Clowes investigation, begun nearly 18 months ago, are not expected to come to court until next Spring.

After the optimism with which the SFO was launched, the list of pending or lost cases is dispiritingly long. The creation of the office was one of the proposals that sprang from Lord Roskill's Fraud Trials Committee, which reported in 1966. It was intended to speed up the investigation and prosecution of complex or serious fraud cases

The Office, with its 40-odd lawyers and accountants and its close relationship with the City of London Police fraud squad, is meant to provide the multidisciplinary skills needed on such cases. It also has pow-ers to require people to give evidence (these were first tested this summer, when an accountant was jailed for refus-ing to give information) ing to give information).

Critics, however, claim that the system is still fatally flawed. The SFO does not employ its own policemen (as envisaged by Roskill) but works alongside fraud squad

officers.

More fundamentally, Roskill's suggestion that juries in complex fraud trials should be replaced by a panel of expert assessors has never been taken forward, leaving it to inexpert juries to pass judgement on the legality of what can become highly complex financial cases. The officers who prosecuted the Howden case, and those pondering how best to present the evidence at the Guinness trial(s), are likely to feel that this makes their jobs consider-ably more difficult.

Against this background, Blue Arrow is likely to be a landmark for the SFO. Not surprisingly, its officers are keen to speed up the case. Much of the evidence gathered for the prosecution will be presented the lawyers acting for the defendants as early as next week. The defendants come back to court in the middle of January. Given the questionmark

hanging over its abilities, the SFO's prosecutors will already be making preparations for one of the most important cases of

# LETTERS

#### Equal opportunity in the employment market

From Mr Linbert Spencer.
I was heartened to learn from Michael Smith's article ("A handsome return for Rover on recruiting ethnic minorities," November 8) that the Rover Group is so active in recruiting minority ethnic staff to its workforce. Three points,

however, are worth noting. The assertion that companies need to monitor the composition of their workforce before they know how many black people they employ implies that they cannot see for themselves that their staff does not reflect the catchment area from which they recruit. I suggest that monitoring is necessary as a means of checking progress against pre-set goals, but is not a prerequisite to deciding that change is neces-

There is also an implication

UK insurers in Europe's market

From Mr Peter Smith and Mr Nick Caplan. Sir, We must take issue with raurick Cockburn's comments on the price advantage of Brit-ish insurance products in European incurement European insurance ("Taking a cautious view of the single market," November 6).

While he rightly stresses the need for both life and non-life insurers to establish distribu-tion channels for their products, we cannot agree with the implied conclusion that over-coming this obstacle will open the door to certain British success in penetrating the Euro-

pean market.
The alleged price advantage of British life and non-life products is often mentioned in this debate. In reality the matter is nothing like as clearcut as your article implies. Price dif-ferences between countries for similar products may arise for many reasons - differing levels of cover, claims frequency, or tax treatment of insurer's

reserves. The real test of whether Brit-ish insurers will be able to undercut local insurers in other markets is the current profitability of those local companies, and here the evidence is not encouraging. Indeed, our leading composites have been represented in their non-life activities in most European Community countries for decades, and have found prof-

We do not wish to decry the opportunities for expansion into Europe; they are great. British insurers have more international experience than most of their continental competitors — and an invaluable tradition of innovation. But no one in the British insurance industry expects to win a slice of the market on price alone. Peter Smith.

Ernst & Young, Becket House, 1 Lambeth Palace Road, SE1

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#### Limits on pensions self-investment reduce consumer choice

From Mr R.A.J. Woddingham.
Sir, It is sad that the Government has indicated that pension schemes must limit selfinvestment in the parent com-pany to 5 per cent. Eric Short reports that the limit includes the total of company shares, loans to the company and property investments leased to the company ("Small pensions scheme at risk," November 9). We thought the Government's priority was to give individuals more choice over the investment of their

ter if the employer wants to link pension benefits to the future success of the company in question? to the mutual benefit of employees and employers in West Germany. Furthermore, will similar

Self-investment is rightly restricted for "contracted out" schemes. Perhaps self-investment ought to be limited also for any final salary pension scheme, where the employer's pension promises are not related to the company's share value or future performance. However, why should this be necessary for a money-purchase scheme?

savings. Since membership of any pension scheme is now voluntary, why should it matfrowned upon in some countries: indeed it has been used

Self-investment is not

Furthermore, will similar

restrictions apply to personal pension policies? Only last month, Inland Revenue Memo-randum No 101 gave details of how holders of personal pen-sions may now choose their underlying investments, with no limits on self-investment, Will this now be overruled so quickly, or will there be another unfortunate difference between company schemes and

personal pensions?

Can we also expect another directive from the Government

that share option schemes, including the American-style, employee share ownership plans (which, we were told in March this year, were to be encouraged) must now not invest more than 5 per cent in the parent company's stock? Why should this form of voluntary long-term saving be any different?

The Government's thinking is flawed. R.A.J. Waddingham, Bornett Waddingham & Com-

Silver Springs House, Over The Misbourne,

#### More encouragement needed for employee share ownership plans

Sir, Barry Riley's "Long View" article (November 4) questioned the significance of the trend to wider share ownership. Yet I am sure be would agree that any government which has created the conditions for the number of private shareholders to increase from 3m to nearly 12m should be justifiably pleased.

Nevertheless, he is right to point out that this huge increase is essentially precarious and disguises the tiny number of shares that many investors have purchased, often on a preferential basis in privatisations. It is also by itself an insufficient and untargeted method of giving partici-pation in capital formation to

It is precisely for these reasons that several of us in the House of Commons have been urging the Government to do all it can to promote employee share ownership, with growing success. For the real revolution is not just the concept of owning a few shares, but giving employees an opportunity to create significant capital by belonging to a share scheme over a number of years in the company for which they work.

This can be done through favourable share saving and option schemes. But, most importantly, the corporate tax reliefs in an employee share ownership plan (Esop) mean that because employees do not pay cash for shares distributed under these plans, they are receiving capital from the

Conservative concept for the The Government has begun to meet the challenge of pro-viding the right legal and fiscal framework for employee share ownership. It should now make more effort to combine the

fruits of their labour. (A good

Esop principle with important privatisation issues. The result would be that instead of today's employees gaining once-off preferential treatment, there would be a continuing scheme for the long-term par-ticipation on a significant scale of present and future employees in the capital growth of the

What a pity that Jaguar did not have an Esop for, 6ay, 10 per cent of its share capital, as there would be more workers around now to praise capitalism ~ and the Government. Ian Taylor. House of Commons, SW1

Bell Noble Elliott (Brokers) Ltd. Reg. No. 1082196 England.

# Hot summer behind rise in Unilever's third quarter

NORTHERN Europe's long hot summer helped boost the third quarter pre-tax profits of Uni-lever, the Anglo-Dutch consumer goods and food group which yesterday announced pre-tax profits for the period of £427m, a 10 per cent increase

The results bring pre-tax profits of £1.214bn for the nine months, an increase of 13 per cent, on sales of £14.2m, also up by 13 per cent, Turnover for the third quarter rose by 16 per

Operating profits in the period was higher at £478m (£410m) with new acquisitions, including Faberge/Elizabeth Arden and Calvin Klein, making a significant contribution,

according to Unilever. Third quarter interest charges were £59m (£36m). During the last year the company has spent £1.85bn on acquisitions with disposals contributing £80bn.
Attributable profits for the

third quarter were £249m (£216m) before adjusting for exchange differences. After adjusting at end-September the attributable figure was 22 per cent in sterling, 15 per cent in guilders and 9 per cent in

dollars.
Earnings per share for the third quarter increased to 14.14p (11.57p) bringing the tally for the nine months to 39.4p(32.3p). The interim dividend is raised to 4.51p (3.89p).
Unilever said that in Europe an increase in operating profits to £283m,included another excellent result from the frozen products division, particularly

In North America operating

profits of £105m benefited both from the effect of acquisitious and contributions from the personal products and detergent

In the rest of the world there were good performances in Brazil and India.

●Unilever yesterday announced two acquisitions. Fima, a company jointly owned by Unilever and Jeronimo Marvictor Guedes, a producer of clive oil and other table oils. for an undisclosed sum. The Portuguese business has sales

The company is also buying from the Valentino group the worldwide exclusive licence to use the Valentino brand for perfumes and other cosmetics. The products will be marketed by Elizabeth Arden.

# AMP attacks Pearl again

By Ray Bashford

AUSTRALIAN Provident has renewed its attack on the board of Pearl Group, the UK life assurance company which is facing a £1.1bn takeover offer from the biggest life company in Austra-

In a letter to Pearl shareholders announcing a 14-day extension to the offer, Mr Ian Saimon, the chief general manager of AMP's international operations, said that manage-ment failures have led to a severe decline" in Pearl's for-

"Pearl has suffered a severe decline over the last decade.

Pearl's attempts to reverse this have been inadequate. We believe that, if Pearl is left to itself, its long term decline will continue to the detriment of shareholders," Mr Salmon said.

Pearl is expected to release its final defence document next Tuesday. That will rest heavily on an appraisal value of the company's future profits and

assumed future business.

AMP said that appraisal values were an inaccurate mea-sure of a company's potential, based on a series of assumptions. "The only true realisable value for your shares in Pearl is the price that you can obtain," AMP said. Mr Einlon Holland, chairman of Peal, replied that the Tuesday document would contain a considerable amount of new material, including an appraisal value. "These Austra-lian freebooters are in for a few

surprises," he said.
The offer of 605p a share was launched early last month by AMP while holding an 18 per cent stake. Pearl shares have been consistantly above the offer price, creating speculation of a higher offer. AMP will announce on Mon-day the level of acceptances,

which is expected to be low.

#### Dixons' strategic move into Los Angeles area

bished and reopened as Silo

stores, though the process could take six months as each

individual shop lease had to be

assigned to the new owners.
In the UK Dixons has sold

In the UK Dixons has sold two properties for £66m, owned by its property subsidiary. The group developed both properties; York House, an office block near Marble Arch, central London, and Queens West Shopping Centre, in Cardiff.

The properties are being bought by a special vehicle company, Monbouse, and Dixons has a four-year one-way.

ons has a four-year one-way

option to buy them back at cost price, for which it will pay

Mr Robert Shrager, Dixons' finance director, said he expec-

ted the properties to show a substantial increase in capital

value over the next four years,

as rent reviews come up, and through the option Dixons would receive the bulk of the capital increase, without being

exposed to any downside risk. The deal will free capital to

be invested, probably else-

where in the property division.

an annual option fee.

By Maggie Urry

SILO, THE US subsidiary of Dixons, the electrical goods retailer, is buying the leases of area and five in San Diego, California. The group also announced a property deal in

The shops, thought to be loss-making, are being bought from the Federated Group, a subsidiary of Atari, the electronic products manufacturer. Dixons said it would not disclose the value of the purchase until the deal was completed; however, analysts estimated the cost at around \$15m

(£9.46m). The deal would take Silo into the important Los Angeles market, the biggest and most profitable in the US. It would also bolster the chain's presence in San Diego where it has

11 stores already. Dixons said trading was stilltough in the US, as in the UK, but it could not pass up the

chance to make a strategic move into the Los Angeles area.
The shops will be refur-

Guernsey paper staff oppose Guiton bid

By Jane Fuller

The staff of the Guernsey Evening Press are planning to launch an independent newspaper if the parent company falls to the hostile bid being mounted by Guiton, publisher of the Joseph Pression Research

of the Jersey Evening Post.

Mr Tim Earl, a senior reporter on the Guernsey newspaper, said: "Any hidder should take into account that if the paper is taken over, a high proportion of the employees would look at ways of setting up our own newspaper and taking the loval readership. and taking the loyal readership with us." He said Guernsey people

already saw the Channel Islands television service as

"Jersey television" and they had perceived a similar move to Jersey control in a BBC plan to rationalise the radio service.
A poll of the newspaper's 50 staff had shown only three in favour and six "don't knows". He said the main reason was not so much inter-island rivalry as independence. "The newspaper industry is becom-ing concentrated in fewer and

fewer hands, and we don't want to be part of that." The staff's planned public statement will come a few days before the second closing date, on Wednesday, for Guiton's 102-for-100 all-share offer.

up near 10% stake in Lec

Candy picks

Refrigeration

CANDY Elettrodomestici, part on the Italian Candy group and a large producer of domessusping machines, has susping machines, has susping up 9.8 per cent of Lec Refrigeration, the UK refriger-ator manufacturer.

The shares were bought for Candy via Credito Italian company stressed the holding should not be seen as a pre-lude to a fall bid.

Yesterday, Lec shares rose sharply from 285p to 320p, at which level the Bognor Regis-based group is capitalised at

Yesterday, Lec said it had been visited by Candylast month, but stressed that was

not musual.

"We are always prepared to talk to anyone in the industry," commented Lec. It added that talk of any shareholding link-up did not arise during the visit.

Any bidder for the company would face considerable obsta-cles. Lec says the Purley family controls over one-third of its shares, and that once direc-tors holdings are added in the figure rises to over 40 per cent. The Prudential also owns almost 10 per cent. Lec said it did not know

when or at what price the holding had been bought, but added that it did not think that Candy had been on the register in a smaller way for any length of time.

There were some rumours yesterday that Candy had been bidding institutional holders

for stock at levels well above the market price.

Although an Italian-based group, Candy started appli-ance manufacture in the UK in 1982, when it saved and turned round the Kelvinator refrigerator

Williams gets go-ahead for Pendragon demerger By Nikki Talt

Williams Holdings, the industrial conglomerate, yes-terday gained approval from its shareholders for the demertribution business.

As a result, letters were sent out yesterday to shareholders, informing them of their entitlement to shares in Pen-dragon, and the dealing facili-ties available if they do not wish to remain as long-term hoiders. Shares in Pendragon will

start trading on Monday.
Yesterday, analysts were somewhat wary of predicting the level at which they might open, with the number of existing Williams holders who might wish to sell and the might wish to sell and the degree of corresponding buying support very hard to predict. However, the consensus seemed to be that the price, on fundementals, should settle at around the 85p-90p level.

See Weekend pil Transaction leaves a bitter taste in the mouths of City executives

# Institutions may seek bid for Mountleigh

By Paul Cheeseright, Property Correspondent

INSTITUTIONS with equity holdings in Mountleigh, the property group, have been engaged in private and infor-mal talks on the possibility of conjuring up an offer of 200p a share from Mr Nelson Peltz and Mr Peter May, the Ameri-

can entrepreneurs.

Mr Peltz and Mr May last Wednesday paid that sum for the 22.5 per cent holding of Mr Tony Clegg, then the Mountleigh chairman and chief executive, in a £70.4m deal, took over Mr Clegg's position on the board and installed fresh non-

executive directors.

Although there is no questioning of Mr Clegg's right to sell his stake to whomsoever he wished, the transaction left a bitter taste in the mouths of ome City executives.

it also increased uncertainty about the future of Mountleigh, a company which in any case had been seeking to change from a property trader to an investment and development

In the aftermath of the Clegg

deal, the Stock Exchange has been asked to stage an enquiry into the sharp movements of the Mountleigh share price last Tuesday and Wednesday before the announcement. Over those two days the share price rose

34p to 163p. From the Stock Exchange point of view such enquiries are routine. It monitors share price movements before and after significant equity transactions as a matter of course. However, there is concern at Mountleigh, and among its professional advisers, that its request for a temporary sus-pension of trading in the shares last Wednesday morn-

ing was turned down. But the concern of the instibut the concern of the insti-tutions is more wide-ranging both because Mr Clegg has sold his shareholding twice at prices higher than those pre-vailing on the market and because Mr Peltz and Mr May have made it clear that Mountleigh will become much more

The main institutional share



Tong Clegg, who sold his 22.5 per cent stake in Mountleigh

holder at Mountleigh is the Universities Superannuation Scheme with 6.1 per cent. But it is believed that the first USS knew of Mr Clegg's departure from Mountleigh was when it read the information on the

Talk among the institutions on Thursday and yesterday has centred on the prospects of calling a general meeting. This could be done on the request of holders of 10 per cent of the equity. If, it is suggested, Mr. Peltz and Mr May could be the board, then they might be induced to make a general offer for the company.

Although the idea seems to

be gaining sympathy, there does not seem to be a single-institution which is prepared to take the lead.

Chances of success would seem to be slight. Mr Peltz and

Mr May have made it clear they do not intend to make a general offer, although they might change their minds if somebody else acquires more than 10 per cent of the equity. Further, Mr Clegg's stake in Mountleigh is said to have been discreetly available for purchase some time before Mr Pelts and Mr May moved in ... Yet there was not a queue of institutional buyers.

F&C seeks

£110m via

FOREIGN & Colonial Investment Trust yesterday

announced the Issue of £110m of debenture stock 2014 with a coupon of £11.25 per cent. The issue, the largest ever by an investment trust, was stepped up from £100m earlier in the

The stock will be issued at

9.68 per cent to give a gross redemption yield of 11.292 per cent. Interest will be payable half-yearly on December 31 and June 30 with the first pay-

ment of £1.40 per cent due on December 31 1989.

Dealings are expected to start on November 13 for

deferred settlement on Novem-

Net proceeds of the issue will be used to repay short-term loans and to take

advantage of opportunities in securities markets with a view to enhancing net asset value in the medium to long term.

Some £9m of the net proceeds of the stock will be lent on to

F&C Smaller Companies,

deb issue

# Microvitec warns on trading

By Clare Pearson

SHARES IN Microvitec, the USM-quoted computer monitor manufacturer, fell 6p to 26p in response to a warning that the downturn in second half trading had turned out to be more severe than expected.

An accelerated slowdown in orders from British Telecom for terminals for its customer services division appeared to be at the heart of the problem.

than £14m in the second half, against £18.2m in the first. Microvitec said cost-cutting measures put in train were unlikely to be reflected in the profit before the second half of next year. It was looking for further reductions in over-heads after making 60 people redundant since August. The company warned of diffi-cult trading conditions in the second half when it announced

finance director, said yesterday he thought City analysts had not at that stage factored these difficulties fully into their fullyear profits forecasts. The company launched a new monitor last month to

interim pre-tax profits in August But Mr Dennis Holt,

help win further original equipment manufacturer contracts. No such contracts are

# **Bookmaker coming to USM**

cabling.

By Jane Fuller

SURREY GROUP, a licensed bookmaker, is becoming the latest recruit to the Unlisted Securities Market via the complex route of an introduction, placing and rights issue. The company has been formed by a reverse takeover worth \$4.5m of Hestview,

which trades under the name Surrey Racing, by Berwick, a property and cash shell company.
Its shares have been traded under the Stock Exchange's

UNILOCK Holdings, which

makes and installs office parti-

tions, increased its pre-tax

profit by 54 per cent, from £910,000 to £1.4m for the six

With turnover up by 18 per cent to £14.88m and earnings

per share to 3.94p (2.7p), Mr John Bardwell, finance direc-tor, said this represented a sus-

tained improvement over the two years that the present

management had been in con-

executive, complained that the company's share price -

which rose 5p to 62p after the

announcement - was being

held back by association with

the building recession, and this

NEWS DIGEST

Mr Randal Warner, chief

months to September 30.

matched bargain rules and it has a wide spread of private The Hestview vendors are

realising £500,000 by means of a vendor placing at 10p per share, while Surrey Group, the enlarged company, is raising £2.5m net through a one-for-six rights issue of 32.36m shares.
Surrey currently has 34 betting shops, chiefly in the south east of England although nine are in Scotland.

limited its acquisition plans.

Although Unilock derived as much as 90 per cent of its busi-

ness from new build, history had shown that when this fell back, refurbishment came up.

Margins on the latter were bet-

ter because the company acted

It has made one recent acquisition — in France last month for about £1m cash, which still leaves it with more

The company has experienced a turnround since a prof-

its fall in 1987-88. More than

£3m has been invested over the

past 18 months, including dou-bling capacity at the St Leon-ards factory, which makes office partitions and a new line

Somic sees difficult

Somic, kraft paper spinner and weaver, predicted a difficult year for 1989-1990 but interim pre-tax profits show a slight

recovery rising from £90,361 to

and joint managing director,

said that the present Govern-ment's policies of high interest

rates coupled to the prevailing

levels of inflation were cause for concern in the short term

He said the plastic coating department had remained the

busiest area in the factory. Company had recently made plans to expand this depart-

Sales in the first six months

totalled £1.78m (£1.64m); the trading profit was £68,071

(£57,593) and the income from

rents amounted to £34,750

(£32,768). After tax of £35,987

Mr R Blackburn, chairman

year despite rise

as a major contractor.

than £1m to spare.

Unilock advances 54% to £1.4m

The company said the instal-

lation of all-weather tracks for horse racing, live satellite broadcasting of greyhound gra-cing, and the increase in betting on other sporting events were factors that should help it

With an average of 18 shops, Surrey Racing made pre-tax profits of £1.2m in the period ended 28th January 281989, on turnover of £14.55m. In 1988, when it had an average of 6 shops, it incurred a loss of £68,000 on £10.67m.

at Unilock Partitions, which accounted for two thirds of its

The biggest selling product was the Mistral range, launched 18 months ago, which was also suitable for the

French market. This year it

had brought out the more up-market Signature.

A new factory for office

screens was being leased at Andover. It would cost about

£250,000 to equip and was due

to open next summer, he said.

iary, which made a loss last year, had returned to profit.

The HCP cladding subsid-

another investment trust in the stable. Casenove and Company, the brokers to the issue, may use stabilisation methods, common in the Euromarkets, to maintain the market price of

in access floors - the type that can accommodate miles of

to £616,000 Profits of Aquascutum, the

Half year turnover was vir-

ber 17.

clothing manufacturer and retailer, fell by £193,000 to £616,000 pre-tax for the half year to July 31. This followed a £443,000 downturn for the second six months of the previous year.

#### Offer for DRG declared unconditional

By Clare Pearson

Pembridge Investments last night declared its £697m offer for DRG, the paper and packaging company, unconditional in all

Pembridge speaks for about 55 per cent of shares in the company. A highly unusual attempt this week to form a minority block of institutional shareholders, who would not accept the bidder's 590p per share cash terms, broke down on Thurs-

day.
Mr Roland Franklin, the USbased financier who controls Pembridge, said DRG's board indicated yesterday they would now recommend shareholders to accept the bid.
Mr Franklin met Mr Moger Woolley, DRG's chief execu-

tive, for the first time earlier in

accountant's report shows

Allied's net assets to be less

Allied Leather shares are not

listed or regularly dealt in.

Bargains in Allied shares

recorded in the Official List

took place on October 23 at an

average price of 140p.

than £7.3m.

Pembridge's offer remains open until November 24.

#### Hanson sells **ARC Construct** for £6.3m

By Nikki Talt

Hanson, the UK conglomerate, has sold off ARC Construction, part of its ARC construction and building materials subsidiary to a management-led consortium for £6.3m.

Hanson acquired ARC as part of its £3.5bn offer for Consolidated Gold Fields this sum-

The disposal is one of the first sales of Gold Fields' businesses to be announced. ARC Construction operates in the civil engineering

field and will trade as Amey Construction in the future.
In the year to end-June, it had sales of £75m and made a pre-tax profit of £350,000. Capi-tal employed at end-June was

Of the total purchase consideration, £5.3m is being paid immediately in cash. The remainder is payable over the next three years.

The resulting maximum

Turnover of Barlows in the

cash outlay is about £1.5m, which will be financed from a

six months to the end of June was £1.14m (£948,000). Earnings

per share fell from 1.47p to

0.43p, but the interim dividend

goes up from 0.75 to 0.825p.

new bank facility.

#### Welpac lower at £125,000

WELPAC, the USM-quoted hardware, DIY and electrical products packager, saw pre-tax profit fall from £545,000 to £125,000 in the half year ended

July 31. Despite present market difficulties the directors remained optimistic of medium and long term prospects. They feel the second half should see an improvement, with the benefit of cost-cutting measures, the traditional stronger performance in hardware, and minimal impact of remerchandising

Turnover in the first half

rose to £5.37m (£5.29m) but operating profit fell to £116,000 (£536,000). Earnings were cut to 0.31p (1.35p).
Demand in the DIY and lighting sector was depressed. Competition remained flerce and all cost increases could not

be passed on. Hardware continued to suffer extra costs as a result of remerchandising two major product ranges. Raw material prices hit Shaw Metal Spin-

#### Capital Gearing net assets higher

Net assets of Capital Gearing Trust stood at 260.3p at October 5, up from 239.7p six months earlier and 196.8p at the same stage of 1988.

was 0.84p (0.8p). The trust does not declare the line dividend from the sale interim dividends, but direc- of shares in Latafoam Services,

tors said that the final would not be less than the 0.3p paid for the last full year.

trol.

#### Results 'satisfactory' at King & Shaxson

King & Shaxson Holdings, the discount house with interests in money broking, leasing and investment dealing, said that profits for the six months to end-October were "very satis-

factory".

Although base rates rose from 13 per cent to 15 per cent during the period, profits of the discount house were "considerably" higher that for the corresponding period of 1988. Other subsidiaries traded profitably, directors said. The interim dividend is

#### Futura loss increases to £184.000

Futura Holdings, the footwear group, reported an increased loss of £184,000 for the 27 weeks ended July 8, compared with £85,000 in the corresponding

period last time. The directors said that the group had acquired share and property investments of some £3.5m, and they would be informing shareholders soon about the continuing programme of diversification.

A subsidiary, Evermoor, had been formed to pursue a joint

ford, Kent. Completion should be in mid-1991. Sales improved to \$1.81m (£1.76m). After crediting tax of £64,000 (£30,000) the loss per The net loss for the six share was 3.23p (1.52p). The month period was £20,050 interim dividend is a same-(£4.250) and the loss per share again 0.5p.

There was a £488,500 below-

1

venture development in Ash-

Trading resumed in Moray Firth shares

ration has resumed on the Third Market at the request of the company Trading was suspended on June 12 following an announce-

another company.

Moray said that after considerable discussions with the Stock Exchange, the company had decided that it was unable to proceed with the proposed

# US companies

Laporte, the speciality chemi-cals company, has bought two US manufacturers of pool and spa chemicals for a total of com. Between them, the acquisitions have annual sales of

Applied Biochemists, of Milwaukee and Robarb, of Atlanta

In the year to January 1, its tributed pre-tax profits of £7.2m, on turnover of £47.7m, to the company's total profits of £95.3m.

#### Yelverton disposes of Malvern stake

Yelverton Investments has accepted the terms of a revised offer for its 29.96 per cent hold-ing in Malvern Property from Sheraton Securities International.

For each of the 82 A ordinary shares Yelverton will receive 1,300 Sheraton shares and for

# each of the 1.49m ordinary shares it will receive five Sher-aton shares. This values each A share at £871 and each ordinary share at 167.5p, based on Sheraton's share price of 67p. The exchange will give Yelverton 3.85m shares in Sheraton and with shares in Sheraton and Sheraton

Trading in Moray Firth Explo-

ment that the company was in negotiations which could lead to an offer being made for

#### transaction. Laporte buys two

join Laporte's other two US companies in this field. water treatment activities con-

#### (£31,626) earnings per share came out at 3.342p (2.937p). The interim dividend is maintained Yorklyde rises to

£1.55m midway Yorklyde.manufacturer of fine cloths, scarves and travel rugs, reported pre-tax profits for the six months to July 31 up 27 per cent from £1.22m to £1.55m. Turnover advanced 68 per cent

from £4.04m to £6.79m. The directors have raised the interim dividend to 4p (2.75p) on earnings per share of 20.8p (16.9p).

#### Batleys' estimates ton and with an existing hold-'not corroborated' ing of 750,000 shares will lift its stake to 3.35 per cent of the enlarged capital. Batleys, the cash-and-carry

retailer facing a possible bid from controlling family share holders, said pre-tax profits estimates for 1989-90 and 1990-91 made by its chairman. Mr Lawrence Batley, were based on his preliminary assessment and could not be corroborated as required by the Takeover Code. the Takeover Code.

It urged shareholders to place no reliance on the fig-ures. **GM Firth raises** 

Arthur Lee stake GM Firth (Holdings), the engineering and steel stockholding group, has bought another block of shares in Arthur Lee & Sons, the Sheffield-based steel and plastic group.

The company acquired a lit-

tle less than 4 per cent of Lee taking its holding to 17.4 per cent. Firth began buying shares a year ago after picking up an 8 per cent stake. Family and executives hold

of Lee's capital, which the com-pany believes is an important obstacle to a successful take-

slightly more than 20 per cent

#### Impshire loss up due to death of horse

Impshire Thoroughbreds, a USM-quoted Irish diversified bloodstock business, reported a pre-tax loss of 1£787,000 (£775,000) for the six months to

the stock. Aquascutum falls

tually static at £23.58m (£23.6m). Earnings emerged (£23-0th). Earnings emerges 0.3p lower at 1.44p, after tax of £173,000 (£278,000). but the interim dividend is being maintained at 1p per 5p share.

June 30. This compares with a loss of 1£405,000 for the seven

The company said the nomi-nation income had increased to

12367,000 (12305,000) and profits

on the sale of bloodstock

months to June 30 1988.

#### increased to I£442,000 (I£159,000). However, the death in May of Prince of Dance resulted in a write-off of 15485,000 included in the operating loss of IE78,000 (I£19,000). The loss per share was 10.8p (6.8p).

Revenue falls at Fashion and General

Net asset value of Fashion and

Net asset value of rashron and General Investment was 558.4p at September 30 compared with 550.7p a year earlier. However, revenue before tax for the half year to end September declined from £206,105 to £185,715. After tax of £51,818 (262,015) available revenue emerged at £133,897 (£144,090). Earnings per 5p ordinary were 8.9p (9.6p) and the interim dividend is

#### Hogg Robinson buys insurance broker

reduced from 8p to 5p.

Hogg Robinson & Gardner Mountain, the insurance broker, has bought Stone & Michaud, a New Hampshire-based retail insurance broking business, for shares and loan notes worth between \$3.75m and \$4.75m (\$2.36m to \$2.99m) on a profir-related basis.

In the year ended 30 September, S&M, a property and casualty agency specialising in both commercial and personal lines, made a profit of \$110,000 on a commission income of \$2.3m. \$2.3ml

#### Leather as profits fall BARLOWS. property The directors of Allied and investment and development certain other shareholders group, announced a £7.3m agreed bid for Allied Leather have irrevocably undertaken to accept the offer in respect of 1.61m shares (80.5 per cent). and pre-tax profits for the six months to June 30 which fell They have also undertaken to from £343,000 to £89,000. receive consideration in the The terms of the offer are new Barlows shares in respect either 365 Barlows shares for of a total of 1.57m Allied shares every 100 Allied shares, or £350 and in cash in respect of 40,172 in cash. The offer will be adjusted downwards if an Allied shares.

**Barlows bids for Allied** 

10.48 11/10 9.76 3 /11 9.68 3 /11 11.33 14/6 10.28 14/6 9.81 14/6 11.44 14/6 10.49 14/6 9.99 14/6 9.74 3 /11

4.10 13/10 3.64 5 /6 3.30 2 /6 3.67 5 /6

10.66 10.66 10.14 10.70 3 /11 10.00 17/3

8.88 9 /2 8.77 9 /2 8.73 16/2 9.96 8 /2 9.21 8 /2 8.85 17/2 10.13 8 /2 9.41 8 /2 9.41 8 /2 9.41 8 /2

2.75 21/8 3.41 21/8 1.91 21/8 3.23 21/8

11.47 30/12 11.19 1 /2 10.66 27/2

#### **MARKET STATISTICS**

#### **ECONOMIC DIARY**

TODAY: Lord Mayor's Show, City of London, South African National Union of Mineworkers plans demonstration in Johannesburg assisted employees.

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against employers.
TOMORROW: Presidential and TOMORROW: Presidential and parliamentary elections in Yugoslavia's biggest republic, Serbla. MONDAY: Mrs Margaret Thatcher, the Prime Minister, speaks at Lord Mayor's banquet, Guildhall: CBUFT survey of distributive trades (October). Producer price index numbers (October-provisional). Retail sales ducer price index numbers (Octo-ber-provisional). Retail sales (October-provisional). Three-day conference on Soviet economy opens in Moscow, Meeting of the European Community seconomic and-finance-council in Brussels. European Community health council meets in Srussels. Dead-ting for epolications for sectors in tine for applications for shares in Harry Ramsden fish and chip res-taurant (dealing starts November 21). Mr Lech Walesa, Polish Soli-

taurant (dealing starts November 21). Mr Lech Walesa, Polish Solidarity union leader, starts visit to US (until November 16). TUESDAY: US advance retail sales (October) and industrial production capacity, utilities for October. European Community Industry and budget councils meet in Brussels. Financial Times holds conference "World Shipping" in Amsterdam (until November 15). Fiesuits of Namibian elections. Mr Eduard. Shevardnadze, Soviet Foreign Minister, is expected to meet Mr Roland Dumas, French Foreign Affairs Minister, in Moscow.

WEDNESDAY: Mr John Major, Chancellor of the Exchequer, presents autumn statement to the Commons. Index of output of the production industries (September). European Community economic and social council starts two-day pienary session in Brussels. First round of Brazil's presidential elections. Sale of major Pleasso works by Sotheby's: iri New York. British Airways

Interim results. Final day for water privatisation incentives reg-istration (midnight deadline).

THURSDAY: Parliament pro-rogues (State opening November 21). Beaujotais Nouveau goes on sale. British Social Attitudes report published. Provisional fig-ures of vehicle production (October). Public sector borrowing requirement (October). Capital expenditure by the manufacturin industries (third quarter-prov industries (third quarter-provisional). Labour market statistics: unemployment and vacancies (October-provisional); average earnings indices (September-provisional); employment, hours, productivity and unit wage costs; industrial disputes. Mr Jacques Delors, President of the European Commission, and Mr Roland, Dumas, French Foreign Affairs Minister, visit Hungary and Dumas, French Foreign Affairs Minister, visit Hungary and Poland (until November 18). Financial Times holds conference on "World Electricity" at Hotel Inter-Continental, London. The Economist Conference Unit hosts conference "World financial markets at the the crossroads" at the Queen Elizabeth Il Conference Centre in London. The Henley Centre organises conference on "The UK economy in the 1990's" at the Cavendish Conference Centre in London. Health & Safety Executive launches Save Your Breath campalgn against occupa-Breath campaign against occupa-tional asthma and other lung con-ditions. Mr Norman Fowler Employment Secretary, presents National Training Awards, Queen Elizabeth II Conference Centre.

British Steel interim results. FRIDAY: Retail prices index and tax and price index. Result of postal workers ballot on Sunday collections expected. Health & Safety Executive conference on Legionnaires' disease, Queen Elizabeth II Conference Centre. CND annual conference opens (until Navember 19)

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by's in New York. British Airwa	Rys November 19)								
BANK RETURN									
BANKING DEPARTMENT	Wednesday November 8, 1989	dec	Increase or crease for week						
LIABILITIES	2		£						
Capital	14.558,000								
Public Deposits	62,537,456	+	441,108						
Bankers Decoells	1.611.137.571	-	196,532,171						
Reserve and other Accounts	2,231,433,043	-	155,833,159						
	3,919,661,070		351,924,224						
ASSETS									
		-	295,255,000						
		-	133,094,864						
		+	72,601,382						
		-	6,136,748						
Com	160,657	-	38,994						
	3,919,661,070	-	351,924,224						
SSUE DEPARTMENT									
LIABILITIES									
Notes in circulation	15,045,352,534	-	3,883,252						
IABILITIES Sapital ublic Deposits uniters Deposits anters Deposits seerve and other Accounts dvance and other Accounts remises Equipment & other Secsions SSUE DEPARTMENT IABILITIES otes in Circulation otes in Banking Department SSETS Overnment Debt ther Government Securities	4,647,466	-	6,136,748						
,	15,050,000,000	-	10,000,000						
ASSETS '									
	11,015,100								
Other Government Securities		-	91,528,147						
Other Securities	2,153,168,521	+	81,628,147						
•	15,050,000,000	-	10,000,000						

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BASE LENDING RATES											
ABM Bask	5   5   5   5   5   5   5   5   5   5	Constant Control Contr	L Bit. M. E. B. C. B. F. Popular P. F. Bank P. F. Bank P. F. F. B. C. B.	t Plc Inv Bak angh & Seas	រត្តមក្សារ មានក្រុម ខេត្តមក្សារ មានក្សារ មានក្សារ មានក្សារ មានក្សារ មានក្សារ មានក្សារ មានក្សារ មានក្សារ មានក្សា	Horthe Harmin Harmin Harmin Printer R. Rap Respect Provided TSB — Smith Harmin	& Secur L * Depos 5%. Tep ess 12.8%	15   15   15   15   15   15   15   15			
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vernment Debt her Government Securities	11,015, 12,885,818,	100 379	_	91,528,14		City Merchants Bank 15 McD	kraj Ba Iocaeli
her Securities	2,153,168,	52T	_+	81,628,14	7.	Mea	land Ba et Band
<del></del>	15,050,000,		-	10,000,00	0 	Rat !	Bk of l
	A A	DVER	TISE	MENT:			
BUIL	ding soc	IETY Applied	, IW/	/ESTM	ENT. 7	TERMS	.÷.
• :	Product.	rate net	CAR	paki	helasce	Access and other details	
Alliance and Leiceston	Capital Choice	11.50	11.50	Yearly	£1,000	1 yr (10,359% - 6m) (9,75% - 3 (9,15% - 1m)	m)
	Gold Plus BusicSare Plus	10.00 9.15	10.00 9.15	Yearty Yearty	Tiered £10,000	8.95/8.75/8.40/8.15 lest. acc. 7.90 £2½ K+,6.90 £1+ car.a/c Mio.init. investment £500	
process and control of the party of the part	ReadyMoney Plus Cash Plus	6.75 8.90	6.85 8.90	' <sub>2</sub> -yearly Yearly	52,500	Instant access 7,15 £500+, 6.65 £1+, ATM acces	
Barnsley (0226 733999)	, Summit. , Quaetum Sixty	10.20 10.00	10.25	Yearly M/12-yely	£25,000 £25,000	90 days'unt/per -£10K onto let as. Tiered rates from £1,000	•
0902 710710)	_ ACAGNICHT _ Maximiser Bones	9.50 9.50	9.50 9.50	Yearly Yearly	£25,000 £10,000	Thereo rates from £100 last, acci Bosus for no withdreds	
	Maximiser Books Maximiser loc	8.50 9.50	8.50 9.50	Yearly Yearly	£1,000 £5,000	tost, acc./ Borns for no withdrwis 3 mits./90 day penalty	
	Maximiser Grath Maximiser Elite	9.80 10.75	9.80 11.03	Yearly 1 <sub>2</sub> -Yearly	£5,000 £10,000	3 m.nt./90 day penalty Term share extra int. guaranteed	
Bristol and West (0272 294271)	Maximiser To rate	10.25 6.15	10.25	Yearly 12-resulty	£25,000 £1.	3cmths no. (9.85 mthly/grtly/½ yly last, Acc £500 7.50	jac)
D(1940) MRI 176-17 TOWN D 4-2 TOP OF	Ho.1 Capital No.1 income	10.25 9.80	10.25 10.25	Yearly Montaly	£25,000 £25,000	3 months' notice, £500 9.50 3 months' notice, £500 9.10	
	Triple Bonus	9.25 6.15	9.25 6.24	Yearly 1 <sub>2</sub> -yearly	£25,000 £1	Theres to 8.50 £500+ inst.acc.	
	Share Account, O'seas 3Moths Cap		30.85	Yearly Yearly Yearly	£25,000 £40,000	13.30 gr. pon-UK res.£1K 12.40 No withdrawais allowed 1 yr tarm	
Britannia (0538 399399)	. Jublice Bood III	9.65	9.65	Monthly	£1.000	60 perilect. Mr. Int. tir. 9.95%	
Century(Edinburgh)(031 556 1711)	Vible rat 2/3 yrs	11.00 11.25	11.30 11.57	Choice Choice	£1	Quaranteed rate 2/3 years Withdrawnis anali at no penalty	
Chelsen (01-602 0006)	-	11.50	11.50	Yearly	£40,000	£500+ 10.35 £10K+ 10.75 £25K+ 11.25 3ai/ima pes	
Cheltenham and Gloucester	, Cheltenhum Gold Cheltenham Gold	10.25 10.60	10.25 10.60	Yearly Yearly	525,800 £5,000	festant Accest/ Monthly lac option	
(0452 372372)	. Spec 90 Shares . Spec 90 (ex-pat)	11.60 14.82	11.60 14.82	Yearly M./Yearly	£20,000 £20,600 .		
Corestry (0203 252277)		10.00 10.10	10.00 10.10	ML/Yearly Yearly	£20,000 £25,000	inst acc. so pen.	
-	Moneymaker 3-year Bond	9.90 11.60	9.90 11.60	Yearly Yearly	£1,000	Withs, 90 days not./penalty.	
	90-Day Option 90-Day Option	11.60	11.60 10.85	Yearly Yearly	£25,000 £10,000	lest accino pen if bal £5,000+ Monthly income option	
Frome Sciwood (0373 64367)	. Gold Minor Acc.	10.85 9.75	9.99 11.30	7 <sub>2</sub> -yearly Monthly	-510.000	On demand:0-16 year-olds No zen. If £5K ressales in account	Ł
Greenwich (01-858 8212) Geardian (01-242 0811) Halifax*	QfLflav Yira	11.10 9.75	21.56 9.99	Quarterly 1 <sub>2</sub> -yearly	£3,000 £500	No ant/per. to bal. £3,000+ 90 days, but	•
	90-Day Xtra 90-Day Xtra	20.25 10.75	10.51 11.04	2-yearly	£10,000 £25,000	instant where £5,000 remains	
Hendon (01-202 6384)	. 3 months shares	10.85 10.25	11.15 10.51	y Yearly	53,000 600,000	3 months notice (+0.42% £25,000 6 weeks notice + pessity	H)
Lambeth (01 926 1331)	Masterplan 30 Day Account	10.45 11.25	10.45 11.25	Yearly Yearly	£25,000 £25,000	instant access no penalty wid per month of £5000 wid pen	
Learnington Spe (0926 450045)	. High Firer	6.35	N/A N/A	Yearly Yearly	£50.00 £1,000	lastant access without	
	-	10.50 20.75	H/A	Yearly	£10,000 £25,000	penalty on demand.	
• .:	Soper 90	10.50	N/A N/A	Yearly Yearly	1,000 £10,000	lest acc w 90d loss of let or 90d o w/o pen, let acc w/o pen over £2.	
	••	10.75 11.25	H/A H/A	Yearly Yearly	£25,000	Monthly lac op on £10,000	
Leeds and Hofbect (0532 45951.1)	Capital Bonos	●10.25 11.75		Mosthly Yearly	£10,000 £20,000	6 Monthly lac op on £10,008 1 yr tm CAR 12,09 out pre 1 Dec	,
Leeds Permanent 0532 438181	Capital Bond Solid Gold	11.55 9.25	11.55 9.25	Yearly M/Yearly	£25,000 £500	90 days notice or pesalty 9.50 £5K 9.75 £10K 10.25 £25K	:
	Young Leeder	8.40 7.00	8.40 7.12	Aesay.	다 5500	8,75 £5K 8.95 £10K 9.25 £25K Maximum Age 18	-
	, Rainbow 90 Rainbow 90	10.25 9.90	10.25 9.90	Yearly Yearly	£25,000 £10,000	90 days notice 90 days notice	
Mornington (01-485 5575)	, Private Reserve	11.55 11.00	11.88 11.00	½-yearly Yearly	£30,000 Tiered	£10K+ kmm£10K 90d nt/pn. 90d 11.00/10.50/10.25/10.00	
	Monthly income Ac last Reserve	20.58 10.50	11.10 10.50	Monthly Yearty	Tiered Tiered	904 10.58/10.49/10.03/9.80/9.57 htt 10.50/10.25/10.05/9.90/9.75	
Maxional Counties (03727 42211)	Stow/sway Bood . 90 Day Account.	10,35 12,00	10.35 12.00	Yearly Yearly	630,000	2yr 0.5% boxes on maturity 90 days notice or 90 days pecalty	
Newtastle (091 2326676) Horth of England (091 5656272)	. Nova Plus . Classic	10.25 11.25	10.25	Mosthly Yearly	£50,000 £25,000	instant access. Tiered A/C 50d not/£10K+ Imm Acc. Tiered	
Northern Rock (091 285 7191)	. Chasic	10.71 10.00	10.71 10.30	Montaly M/Yrly	£25,000 £5,000	50si sou/£10K+ imam Acc., Tiered 90 day not) but last	
		10.25 10.75	10.55 11.07	M/Yrty M/Yrty	£10,000 £25,000	90 day not) acc where 90 day not) ELDon remains	
Marwich & Peterbigh (6733 371371)	New 1 Vr Rd Chall	11.00 11.25	11.33 11.25	M/Yriy At end of te	£50,000	90 day notice last Acc (50 dys loss of int.on Amp W	//D1
Nottlechem (0602 483.444)	Record Plus	11.10 10.50	11.10 10.50	Yearly Maturity	£25,000 £300	90 day's not or 90 day's per Fixed 9 protes no wells or addres,	•
Portman Wessex (0202 292444)	60 Day Capital Ac	11.15	11.15	Yearly	\$25,000	No restrictions over £10,000 6'teed 4,75% diff til 31-12-90 No s	
	3 Mouth Option	12.50 11.00		Yearly Yearly	£10,800 £20,000	Tiered. 3 months notice/penalty.	nus
Regetcy & West of Eng (1)672) 54371 Scarborough (0723 368155)		11.50 11.40	11.50 11.40	Yearly Yearly	£500 £75,000	2 yr term guaranteed rate 90 day not/pep. Mithly lat Opt	}
	Excelsion	10.90	10.90	M/Yearly	£25,000	500+ 10.50, 25k+ 11.00, 50k+ 11. 1 yr term gwynolodd 4% diff	.25
Steffleid (0742) 756300 Skipton (0756 4581)	Staleless Plea	11.75 10.25	11.75 10.25	Yearly Yearly	£10,000 £10,600	Hotice after 1 year, 7 days bedast access no penalty	
	Sovertiga .	9.75	9.75	Yearly	£5,000 £500	Mostbly lec on £2,500+	
	Sovereign Skipton Ninety	9.25 21.25	9.25 11.25	Yearly Yearly	250,000	90 days not or pep. Monthly	
	Skipton Minety Skipton Minety	11.00 10.45	11.00 10.45	Yearly Yearly	£25,000 £500	Inc. on £2,500+	
Strout and Swindon*		11.25 12.00	11.25 12.00	Yearly Yearly	£40,000 £25,000	90 day motice or penelty M.J. Available @ 11.85%	į
	Soper Yield Soper Yield	11.25 11.50	11.25 11.50	Yearly Yearly	55,008 55,000	90 Days Notice 180 Days Notice	
Woolwish.	Prime Account	16.00	11.75	M/Yearly	Tiered	lestant 9.15 £500+, 9.5 £5K+, 9.65 £10K+ 10.00 £201	ري
	Press, law Plas Ac	11.75	11.75	Yearly	£10,000	1 year term guaranteed 5% diff	RET"
Yorkshire (9274 734822)	Planioum Key	10.50 10.75	10.50 10.75	Yearly Yearly	£500 £10,000	60 days' actice /penalty Instant access over \$10,000	1
	Platinum Kty Golden Key	11.25 9.50	11.25 9.50	Yearly Yearly	£25,600 £1,000	lestant access over £10,000	
	Golden Key Golden Key	9.75 10.25	9.75 10.25	Yearly Yearly		instant access	
	Gelden Kny	10.50	10.50	Yearly	225,000	instant access	. (
*For telephone see lo	scal directory. CAR = ,	Armaal yiek	dafter Inti	erest compound	red	חת	4_

WORLD
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INDUSTRY

The Financial Times proposes to publish this survey on:

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| Appening Index 2198.3; 1.0 am 2217.0; 11 am 2222.6; Noon 2221.2; 1 pm 2220.6; 2 pm 2219.0; 3 pm 2218.1; 3.30 pm 2216.8; 4 pm 2221.2 (a) 10.53 am (b) 9.00 am Englity section or group Base date Base value Supply section or group Base date Base value Agencies. 31/12/86 11.14.07 Overses Traders 31/12/74 100.00 Mining Finance 29/12/67 100.00 Telephone Networks. 30/11/84 517.92 Industrial Group 31/12/70 128.20 British Government 31/12/75 100.00 Telephone Networks. 30/12/83 1646.65 Other Financial 31/12/70 128.00 Do. Industrial Group 31/12/70 128.00 Do. Industrial Materials 31/12/80 287.41 Food Manufacturing. 29/12/67 114.13 Debs & Loans 31/12/77 100.00 Health/Household Products 30/12/77 26.1.77 Food Retailing 29/12/67 114.13 Debs & Loans 31/12/77 76.72 Other Groups 31/12/74 63.75 Insurance Brokers. 29/12/67 96.67 FT-SE 100 Index 30/12/83 1000.00 Telety Heid A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by gost 32p.

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# Rémy Martin to merge with Cointreau group

By George Graham in Paris

TWO OF France's leading drinks groups have announced plans to merge their operations, creating a cocktail of some of the best-known wine

and spirits brands in the world. Pavis, the family holding company which owns 51 per cent of the Remy Martin cognac house, plans to merge with Cointreau et Cie., producer of the celebrated orange liqueur, to form a group with annual sales of around FFr6bn

Rémy has been looking for some time for a top quality liqueur to add to its portfolio. Last year failed in a bid to take over Bénedictine. Rémy distributes Cointreau's

products in a number of mar-kets, including Asia and North America, and earlier this year signed a new agreement adding Africa, Eastern Europe and the Middle East.

The merger will strengthen these links: it does not, however, appear to settle the 16year-old family feud that has beset Remy Martin.

In fact, the decision to merge with Cointreau appears likely to darken further the relation-

By John Burton in Stockholm

THE SWEDISH Minister of

Industry said yesterday that an

agreement on co-operation between Saab-Scania and Fiat

concerning car production could be reached before the end of this year. Saab refused to comment on

the remarks made by Mr Ivar Nordberg to a Swedish newspa-

per beyond repeating a state-ment it made in late October that it is holding discussions of an undisclosed nature with the

Speculation about a possible Saab-Fiat link has increased

following the collapse of talks

last month between Saab and

Italian motor group.

ship of the Heriard-Dubreuil family, who own Pavis and run Remy Martin, with Mr Max Cointreau and his family, who own 49 per cent of Rémy Martin and have been in dispute with the Heriard-Dubreuils for vears.

Mr Cointreau and Mr André Heriard-Dubreuil married the two sisters who inherited the Remy Martin and Frapin cognac businesses. With a 49 per cent stake, Mr Cointreau has a blocking minority in Rémy Martin and has been able to stop the company from, for example, increasing its cap-

This led the Hériard-Dubreuils to set up a new subsidiary. Rémy et Associés, in which Mr Cointreau does not have the blocking minority, to handle the cognac bouse's distribution and to embark on diversification, with acquisi-tions such as the Krug and Pip-er-Heidsleck champagne houses, Galliano liqueur and Mount Gay rum. Rémy Martin now retains

only the production and stocks

of cognac. But Mr Cointreau is also in

Saab, Fiat close to output deal

Saah's car division is expec-

ted to lose SKr1.8bn (\$281m)

this year due to poor sales in the US, its biggest market. The mounting losses have forced

Saab to look for a possible part-ner to share production facili-ties and help in the develop-ment of next-generation

Mr. Nordberg's comments

indicated that the talks between Saab and Fiat may have progressed much further

than observers had believed.

The Industry Ministry has

been in close contact with

Saab recently due to negotia-

#### **Delay puts Bond sale** to Nathan in doubt

By Chris Sherwell in Sydney

disagreement with his other

cousins, Mr Pierre Cointreau

and Mr Robert Cointreau, who

run the Cointreau business, which includes, besides the orange liqueur, the aperiting Piron St January and Cla

Picon, St James rum and Cle

des Ducs armagnac. They, however, have 70 per cent of

The merger would involve the transfer of Pavis's 51 per

cent stake in Rémy Martin to

Cointreau et Cie; Pavis would then receive Cointreau shares

in return, probably giving it a

slight majority.
The complex structures and

secretive natures of the fami-lies involved make it difficult

to establish coherent figures on the two groups. The Coin-

treau operating company reported net profits of FFr12m last year on sales of FFr508m,

but group sales are understood to total FFr1.8bn.

Rémy et Associés, the distri-bution and diversification arm

of Rémy Martin, reported net profits of FFr110m in the year ended March, 1989 on sales of

FFr3.4hn, and is forecasting at least FFr150m this year on

ect, which was announced on

Thursday.
Saab and Fiat have co-oper-

ated before, developing a com-mon chassis in the early 1980s for the Saab 9000, Fiat Croma,

Lancia Thema.

Although co-operation between Saab and Fiat would not be fully complementary since both produce luxury cars, analysts see several advantages in a collaboration.

tages in a collaboration between the two.

facilities could be meshed together relatively easily since

their cars share many of the same components due to their

One is that their production

their company's capital.

AN UNEXPECTED fourth delay for the A\$2.5bn (US\$1.97bn) sale of Bond Corporation's Australian brewing assets has intensified specula-tion that its deal with Lion Nathan of New Zealand will

not be concluded.

An announcement yesterday said the "time for satisfaction of certain conditions precedent" to their agreement had been extended to November 27. The initial deadline of October 18 has previously been put off to November 1, November 8 and November 13.

and November 13.

Under the deal — first announced on September 19 — Lion Nathan, which brews Steinlager beer, is to buy a 50 per cent share of Australian Brewerles, a joint venture to be created after Bond's Swan, Toohey and Castlemaine XXXX brewerles are sold to its XXXX breweries are sold to its 58 per cent-owned Bell Resources for A\$2.5bn.

The complex agreement involves Bond Corporation simultaneously bidding for the Bell Resources minorities. In addition, parallel offers are to be made for Bell Resources convertible bonds and Bond Brewing subordinated deben-

tures.
Two factors lie behind the delays. One is the requirement by the national Companies and Securities Commission that Bond Corporation pro duce audited accounts and a balance sheet for the year to June for the deal to go ahead. Preliminary unaudited figures released last month showed several differ-

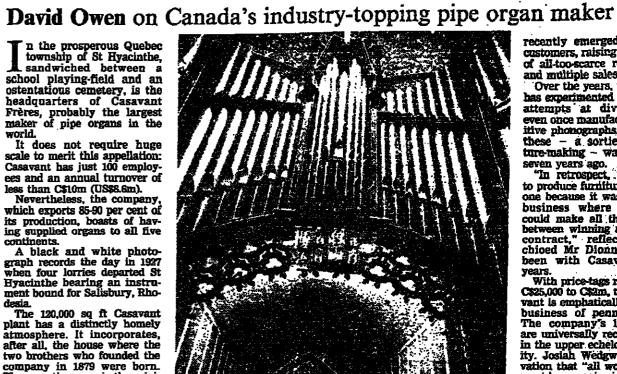
ences between the company and its auditors.

The other is the emergence of SA Brewing of Adelaide as a likely alternative bidder for

the Bond interests. The origi-nal Lion deal allowed for Bond to entertain possible alterna-tive bids, and gave Lion the right to match them. According to some analysis, a more attractive SA Brewing offer would materialise if Lion pulled out its deal. But Lion is evidently keen to persevere

with its plans.
SA Brewing would also have to overcome objections from the Trade Practices Commisthe Trade Practices Commus-sion, Australia's anti-trust agency, because of a 20 per cent stake in the company held by Riders IXI, the country's other major brewer.

Yesterday's developments followed the separate announcement overnight from London that Bond Corporation was to pay A\$500,000 in dam-ages to Aviva Petroleum in compensation for Bond's withdrawal from a sale to Aviva of its interest in the Harriet oilfield off the Western Austra-



Organists bloom in St Hyacinthe

thing, we conduct very careful tests beforehand," says Mr Pierre Dionne, the company's

Most materials used in the manufacture of the group's custom-built instruments are therefore highly traditional, including maple, rosewood, ebony and ivory ("Our last batch," says Mr Dionne). Employees frequently spend their entire career with Casavant. A few families have been working at the plant for five generations.

The training regimen for most Casavant craftsmen is long and arduous. "Our harmonists, for example, have a degree in music when they are taken on, and after three years they are just beginning to find their feet," Mr Dionne says. The same two adjectives usu-ally also apply to the process of cementing a sale. This takes about two years on average from the time that the first contact is made.

Since 1904, the company has manufactured two types of pipe organ: the mechanical tracker organ, and newer elec-tro-pneumatic instruments in which the air-valves are electrically controlled.

Perhaps the best-known Casavant product is the 6,098pipe leviathan at Montreal's Notre Dame. Japanese bridal halls, meanwhile, have

WERTHEIM SCHRODER, the

US investment bank owned

not yet named - are US insti-

tutions with no involvement in

recently emerged as serious customers, raising the prospect of all-too-scarce repeat orders

and multiple sales. nd multiple sales. Over the years, the commany has experimented with various attempts at diversification, even once manufacturing primitive phonographs. The last of

these — a sortie into furniture making — was abandoned seren years ago.

"In retrospect, the declaring to produce furniture was a land one because it was the sort of business where one penny could make all the difference between winning and business." between winning and losing a contract," reflects monsta-chioed Mr Dionne, who has been with Casavant for 11

With price-tags ranging from C\$25,000 to C\$2m, today's Casa-vant is emphatically not in the business of penny-plaching. The company's instruments are universally reckoned to be in the upper echelons for qual-ity. Josiah Wedgwood's obser-vation that "all works of taste must bear a price in proportion to the skill, taste, time and expense and risk attending their invention and manufac-ture forewarns those brown ing through the corporate bro-chure that this is the Rolls-Royce of pipe organ mak-

The fact that Casavant organ represents a considerable represents a considerable indulgence for any concert hall or parish also means. In Dionne argues, that the conpany's order-book tends to act as an early warning device for any economic downtum. "It is the cherry on the cake," he says. "To sell one, you need a parish that is prosperous and parish that is prosperous and expects to be so for the foresee-able future."

In that context, it is interest-ing to note that the past 12 months have been less than outstanding for Casavant after three consecutive strong years. According to Mr Dionne, sales in Texas and Oklahoma are rather few at present, while those in the US Midwest are recovering.

Three finance institutions

back Wertheim Schroder

Chicago

#### tions over a government loan for the Saab 2000 aircraft proj-Campbell Soup to sell off assets

By James Buchan in New York

CAMPBELL SOUP, the then head of the founding venerable maker of canned family, and a highly influential soups and other processed foods, is considering selling some of its businesses as part of a review of all its far-flung

The new approach, announced by Campbell Soup's new senior management on Thursday, marks an attempt to improve the lacklustre profitability at the nearly \$6bn-sales company. Campbell Soup has been the scene of swirling stock speculation and management turmoil since the death in April of Mr John Dorrance.

WEEKLY PRICE

stockholder.
Mr Herbert Baum and Mr Edwin Harper, who took over as joint heads of the company at the beginning of the month, saidiata Di ss conference in Chicago on Thursday that there would be "profound changes" in the way the comchanges would include a review of all the company's assets, investment to modernise the \$2bn soup business and moves to sort out problem businesses overseas, notably in

the UK and Italy. Mr Baum and Mr Harper were appointed to run the comwere appointed to run the com-pany on November 1 to replace Mr Gordon McGovern, who resigned unexpectedly. Mr McGovern presided over a big expansion of Campbell Soup product line and overseas pres-ence but was unable to transform this into a higher profitability. Mr McGovern apparently ran afoul of younger members of the Dorr-ance family frustrated at the lacklustre profits, which have

lagged behind those of such

LOHDON METAL EXCHANGE

competitors as Heinz.

#### Poling to head Ford as Petersen calls it a day

By James Buchen in New York

less than C\$10m (US\$8.6m). Nevertheless, the company,

its production, boasts of hav-ing supplied organs to all five

A black and white photo-

plant has a distinctly homely atmosphere. It incorporates,

The reception area is the origi-nal kitchen. A nearby bookcase

contains an eclectic accumulation of volumes, ranging from Whitney's German grammar to

a yearbook of American churches.

where some 25 organs per year are painstakingly fashioned by a skilled team of metalsmiths.

pipemakers, cabinet-makers, voicers and others, has a simi-

Under construction at pres-

ent are instruments destined

for Springfield, Missouri, Cin-cinnati and St Stanislaus Kostka in the Canadian steel-

From start to finish, the con-

Casavant does now boast a

brand new computer-assisted design system, but in general,

the emphasis is firmly on con-servatism and continuity. "If we ever want to change any-

struction process, which mar-ries tin and lead alloy pipes, oak cabinet-work and cedar windchests, can take up to two

larly parochial air.

town of Hamilton.

The three-storey workplace,

MR DONALD PETERSEN, who led Ford Motor Company to its greatest success since the 1920s, is retiring early as chairman and will be replaced by Harold Poling, his long-time vice-chairman and No. 2. The news took Wall Street

by surprise. But analysts doubted there was anything behind the change except Mr Petersen's restlessness after 10 years at the top of Ford. In recent years, Ford has set great store by orderly manage-

ment succession.

Mr Petersen, 63, and due to retire in late 1991, will step

(Prices supplied by Amalgameted Metal Trading) US MARKETS

down next March. Mr Poling, 64, will serve for three years. Mr Pellip Benton, 60, moves up to be president and chief operating officer. Mr Allan Gil-mour, 55, regarded as the top candidate for the chairman's job, succeeds him as president of Ford's automotive group. At a news conference yester-day at Ford's headquarters in Dearborn, Michigan, Mr Peter-sen said: "I will have been

make a change in my life. It's time to re-pot myself."

jointly by its directors and Schroders, the UK merchant tutions. One is Mitsubishi Trust and Banking of Japan, currently negotiating to buy a 4.5 per cent non-voting stake in chief operating officer or chief executive officer for 10 years and I think it's time for me to Wertheim. The other two

investment banking.

CRUDE Oil (Light) 42,000 US galle S/barrel

By David Waller

Mr George Mallinckrodt, Schroders chairman, says the significance of the deal lies not so much in the capital injec-tion into Wertheim — \$15m from each of the three — but in banking group, will next week announce a "significant increase" in its corporate finance capacity following a deal with three financial insti-

The Werthelm and Schröders link – sealed in June 1986 – is deemed one of the more successful transatlantic matches in investment banking. But Wall Street sees Wertheim as a leading second-ranker and next week's deal could be a move into a different league.

#### WORLD COMMODITIES PRICES

Crianues prices	on week ago 1969 1969	Order Previous (light)	Ow And Chricial Many Close Open Interest		Latest Previous High/Low	
Gold per troy oz. \$385.25	+5.00 \$420.50 \$412.25 \$356.5 -0.70 355.65p 358.85p 313.90p	Aluminium, 99.7% purity (\$ per tonne)  Cash 1800-5 1800-5 1807	Ring turnover 13,175 tonne	IN THE METALS, gold prices were down for most of the day as a strong	Dec 19.88 19.82 19.95 19.81 Jan 19.72 19.78 19.81 19.68	SOYASEANS 5,000 bu min; cents/60th bushel
Aluminium 99.7% (cash) \$1802.5	+75 \$2540 \$2610 \$1664	3 months 1745-7 1749-50 1765/17	1806-7 '47 1750-1 1750-6 \$3,235 lots	U.S. dollar weighed on the futures,	Jen 19.72 19.78 19.81 19.68 Feb 19.60 19.68 19.67 19.58	Close Previous High/Low
Copper Grade A (cash) \$1686 Lead(cash) \$437	+20 £1750.5 £1982.5 £1474 -28 £377.25 £487.5 £337	Copper, Grade A (£ per tonne)	Ring turnover 54,400 torine	reports Drexel Burnham Lambert.	Mar 19 49 19 57 19 57 19 47	Nov 575/6 887/8 576/0 567/8 Jan 588/0 580/2 589/0 580/0
	+25 \$13450 \$19350 \$9987,5	Cash 1695-7 1721-3 1696/16		Sliver lost ground due to some	May 19.26 19.33 19.32 19.25 Jun 19.14 19.21 19.21 19.14	Mar 600/6 592/6 601/4 502/6
Zinc (cash) \$1447.5	-2.5 \$1499 \$2107.5 \$1447.5	3 months 1675-6 1700-1 1988/16	1010 0 1010 100	scattered profit taking while platinum remained higher, Technical selling	Jul 19.08 19.10 19.12 19.12	May 611/4 603/2 612/0 603/4
Tin (cash) \$7130 Cocoa Futures (Mar) £709	-45 £4125 \$10760 \$7130 +16 £862 £947 £689	Lead (£ per tonne)	Ring turnover 9,575 tonne	pressured the copper. In the softs.	Aug 18.91 19.00 18.00 18.91 Sep 18.90 18.91 18.90 18.90	Anna diana
Cottoe Futures (Jan) \$696	+ 14 £1092 £1270 £858	Cash 438-8 440-2 437 3 months 433-4 435-6 440/431	437-8 432.5-3 435.5-6 12,178 lots	sugar continued higher with trade and	Sep 18.90 18.91 18.90 18.90	Sep 604/4 801/0 808/0 601/0
	+ 16.2 \$273.2 \$381.0 \$235.8 + 0.95 \$108.1 \$113.50 \$100.95	Nickel (\$ per tonne)	Ring turnover 1,794 tonne	local buying featured. Origin selling		SOYABEAN OF 60,000 Ros; contails
Wheat Futures (Jan) £112.05	+0.55 £111.8 £121.65 £104,7	Gash 10100-50 10250-350 10300/1		weakened the coffee market.	HEATING OIL 42,000 US galls, cents/US galls	Close Previous High/Low
	-0.35 58.75c 84.95c 61.35c -14 630p 710p 582p	3 months 9700-50 9740-50 9750/97		Commission house and switch activity	Latest Previous High/Low	Da. 40
		Tin (S per lonno)	Ring turnøver 660 tonne	made up the cocoa volume. The grains ended the week with active sessions.	Dec 5965 5892 5675 5640	Jan 20.02 18.56 20.04 18.65
	+ 0.75 53.0p 64p 55p + 0.225 \$13.025 \$21.35 \$16.125	Cesh 7125-35 7170-210 7125/71 3 months 7:20-6 7250-90 7230/71		Heavy export demand offset	Jan 5875 5695 5885 5840 Mar 5695 5820 5615 5590	Mar 20.46 20.02 20.47 20.08
Per tonne unless otherwise stated flinquoted, p	-penco/kg, c-cente lb. w-Dec.	3 months 7:20-6 7250-90 7230/71 Zinc, Special High Grade (Sper tonne)		Thursday's slightly bearish crop	Apr 5365 5395 5380 5346	Jul 21.10 20.76 21.10 20.70
SPOT MARKETS	COCOA - London FOX (/torune	Cash 1480-5 1485-500 1485/14	Ring turnover 13,250 tonne	reports. Soyabean futures posted the	May 5175 8220 5190 5175	Aug 21.10 20.75 21.10 21.00
Crude ell (per barrel FOB) + or -	Close Provious High/Low	3 months 1443-5 1450-3 1455/14		biggest advance, gaining 8 cents in the	Jun 5090 \$110 5090 5085 Jul 5040 8070 5045 5040	Sep 21.13 20.82 21.20 21.05 Oct 21.22 26.92 21.25 20.95
Cubou \$18.35-6.45w		Zinc (\$ per tonne)	Ring turnover 3,800 tonne	November contract. The livestocks were slow with mostly local	Aug 5090 5120 5080 5090	21-20 5038 - 2
Bront Blond \$19.10-9.15w + 0.10	Doc 750 742 752 740 Mar 709 705 710 698	Cash 1445-50 1450-60	1450-5	participation. Cotton futures sank, due	Sep 5175 5210 6175 5175	SOYABEAN MEAL 100 tons; \$700
W.T.I (1 pm cat) \$19.90-9.95w +0.05	May 720 718 720 707	3 months 1405-10 1410-5 1410	1415-7 1405-10 2,863 lots	mostly to Thursday's crop report. The		
Oil products	يابات 734 731 734 724 Sep 749 746 749 740	LME Closing \$/\$ rate: SPOT: 1.5775 3 months; 1.5529	E manther 1 2705	energy complex was slow except for	COCOA 10 tonnes:\$/tonnes	Close Previous High/Low
NWE prompt delivery per tenno CiF) + or -	Dec 771 769 771 783	3 monus; 1,3329	6 months: 1,5295 9 months: 1,5108	the expiration of the options.	Close Previous High/Law	Dec 185.3 183.5 185.5 182.1 Jan 183.6 182.0 184.0 184.2
Promium Gasofine \$183-185 Gas Oil \$183-184 -1	Mer 790 799 790 785	POTATOES - BFE S/sonne	LONDON BUILLION MARKET	•	Dec 999 996 1009 968	Mar 183.5 181.6 183.7 191.9
Hravy Fuel Oil \$98-99 Naphiha \$163-165	Turnover: 5642 (4341) lats of 10 tornes	Clase Previous High/Low	Gold (fine oz) 5 price . £ equivalent		Mar 1004 1004 1014 992	May 182.0 180.7 182.3 180.5
Petroloum Argus Estimates	ICCO indicator prices (SDRs per tonne). Daily price for Nov 10 832.70 (829.58) :10 day average	Nov 139.0 138.0 139.0 135.1	Close 385-3851 <sub>2</sub> 243 4-244 4	New York	May 1013 1016 .1025 1007 Jul 1027 1026 1036 1022	100-2 179.5 161.5 trac
Others	for Nov 13 814.82 (812.04)	Apr 197.1 198.0 198.0 196.5 May 224.0 224.0 223.0	Opening 3861 <sub>2</sub> -387 2441 <sub>4</sub> -2441 <sub>4</sub>		Sep 1045 1046 1053 1040	Sep 180.7 180.0 181.0 179.0
Other + or - Gold (per tray oz) 4 \$385.25 <2.00	COFFEE - London FOX Storms	Turnover 66 (60) lots of 40 tonnes.	Morning fix 388.45 243.817 Afternoon fix 385.35 243.892	GOLD 100 troy oz.; \$/troy oz.	Dec 1060 1072 - 1072 - 1080 - 1080 Mar 1083 1087 1094 1080	180.5 180.8
Silver (per tray azide 525c -8	Close Previous High/Low		Day's high 3861 <sub>2</sub> -387	Close Previous High/Low	1990 1001 1004 1 1000 1	2010 COMME 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1
Platinum (per troy oz) \$499.25 +3.75 Palladium (per troy oz) \$137.50	Nov 703 702 714 702	SOYABEAN MEAL - BFE E/forme	Day's low 383 \ -384 \	Nov 387.8 387.1 0 0		Close Previous High/Low
Aluminium (froe market) \$1805 +20	Jan 696 690 695 665 Mar 700 700 703 693		Coins \$ price £ equivalent	Dec 388.6 389.0 389.5 387.2 Jan 390.9 391.3 0 0	COFFEE "C" 37,500/bs; cents/lbs	Dec 238/0 238/4 242/0 236/4 Mar 241/4 240/8 245/0 236/4
Copper (US Producor) 121%-124c +3.2	May 717 715 720 709	Close Previous High/Low	Mapleleaf 394-399 22912-25212	Fob 383.1 383.6 394.0 391.0	Close Previous High/Low	More Carle 2404
Lead (US Producer) 39.0c Nickel (trop market) 468c	Jul 735 732 735 732	Feb 143.80 143.50 143.50	Britannia 394-399 229 12-252 12	Apr 397.6 398.1 368.5 365.5 Jun 402.0 402.5 408.4 400.0	Dec 75.98 75.95 77.70 75.90	Jul 248/9 248/2 252/4 247/4
7in iKuala Lumpur markat) 18 97r -0.36	Sep 752 752 765 747 Nov 770 770 787	Turnover 60 (343)lots of 20 ionnes.	US Eagle 394-399 22912-25212 Angel 394-399 22912-25212	Jun 402.0 402.5 403.4 400.0 Aug 406.2 406.7 0 0	Mar 76.35 79.00 79.70 78.00 May 80.27 80.70 81.70 80.00	Dec. 270/8 2004 244/4 242/0
Tin (New York) 328.5c -3.0 Zinc (US Prime Western) 78%c	Turnover: 1787 (2505) lots of 5 tonnes		Krugerrand 384-387 243-245	Oct 410.6 411,1 412.5 412.5	May 80.27 80.70 81.70 80.00 Jul 82.51 83.00 83.50 82.50	238/4 241/6 238/6
Cartle (live weight)† 112.85p -1.39*	ICO Indicator prices (US cents per pound) for	FREIGHT FUTURES - SFE \$10/Index point	New Sov. 90-92 57-5812	Dec 415.2 415.7 416.3 413.5	Sep 84.63 85.00 85.25 84.35	
Shoop idead weightif 212.73p + 19.4°	Nov 9: Comp. daily 62.66 (62.99), 15 day average	Close Previous High/Low	Old Sov. 90-92 57-5812 Noble Plat 505-25-512-90 318.85-323.90	PLATHOUM 50 tray oz, \$/tray oz.	Dec 87.18 87.63 87.30 87.30	WHEAT 5,000 bu min; cente/50th-bushel
Pigs Iliva weight[f 98.27p -3.34*	61 78 (61.65)	Nov 1684 1685 1681 1675	Noble Plat 505.25-512.90 318.85-323.90	Close Previous High/Low	Mar 89.63 90.25 90.25 80.25	Close Previous High/Low
London daily sugar (raw) \$381 0v +8.0 London daily sugar (while) \$406.0v +5.5	SUGAR - Loudon PCX (5 per tonno)	Dec 1988 1985 1986 1080 Jan 1695 1697 1697 1690	Silver fix p/fine oz US cta equiv	Jan 509.6 506.5 512.0 507.7		Character states
ondon daily sugar (white) \$406.0v + 5.5 (ate and Lyle export price £357.0 + 6.0	Raw Close Previous High/Low	Apr 1695 1700 1695 1692	Spot 332.90 528.00	Apr 514.1 511.0 516.0 510.0	SUGAR WORLD "11" 112,000 lbs; cents/lbs	Mar 409/6 407/0 411/4 409/0
Barley (English leed) £112.5	Dec 342.00 337.00	Jul 1418 1410	3 months 345.35 539.25	Jul 518.7 515.5 521.0 517.0 Oct 523.6 520.2 524.0 524.0	Close Previous High/Low	100 100 100 100 100 100 100 100 100 100
va:za (US No. 3 vellow) £126.5 +0.25	Mar 336.80 332.60 337 00 333.00	Oct 1530 1530 1530 BF1 1656 1654	5 months 357.30 950,15 12 months 380.50 572,15			Sep 367/9 554/4 367/0
Mhoal (US Dark Northern) C127.5	May 332.60 328.40 332.60 329.20 Aug 326.00 321.00 326.00 322.20	Turnover 192 (244)		SALVER 6,000 troy oz; cents/troy oz,	Jan 14.76 14.50 14.50 14.50 Mar 15.19 15.01 15.20 75.08	LIVE CATTLE 40,000 lbs; certa/lbs
tubber (spot)♥ 67 00p + 0.5 tubber (Doc)♥ 50,00p + 0.75	Oct 314.80 309.20 314.80 310.40		TRADED OPTIONS	Close Previous High/Low	May 14.91 14.74 14.98 14.89	
lubbor (Jan)♥ 60.30p + 0.75	Doc 310 00 304.00 300.00		Aluminium (99.7%) Calls Puts	Nov 528.6 526.0 0 0	Jul 14.68 14.50 14.69 14.55 Oct 14.17 13.83 14.18 14.19	Close Previous High/Low.
Rubber (KL RSS No 1 Dec) 224.5m -1.0	Mar 255 00 289.00 295.00 292.00	GRAINS - BFE Stone	Strike price \$ lenne Nov Jan Nov Jan	Dec 526.0 530.6 531.0 624.0 Jan 528.9 533,7 0 0	Oct 14.17 13.83 14.18 14.02 Mer 13.36 13.23 13.32 13.26	Dec 74.92 74.82 74.95 74.62 Feb 74.72 74.55 74.80
Coconut all (Philippines)\$ \$475v + 10	White Close Previous High/Low	Wheat Close Provious High/Low		Mar 538.0 542.8 543.0 536.5		Aby 74.67 74.69 74.60
Coora (Philippinos)5 \$310	Dec 403.00 399.00 403.00 398.00	Nov 108.50 108.50 106.50	1650 143 122 19 45 1750 77 70 52 90	May 545.7 550.6 550.0 545.0		Jun 71.70 71.65 71.75 71.60
oyabeans (US) 168	Mar 399.50 398.00 401.00 397.00 May 405.50 403.00 408.50 405.10	Jan 112,05 112,20 112,25 111,90 Mar 115,65 116.10 116.15 115.85	1850 36 37 108 154	Jul 563.6 556.5 556.5 553.0 Sep 561.7 566.6 0 0		Aug 68.95 80.90 70.00 80.82
lotton "A" index 83.70c Vootteps (845 Super) 582p	Aug #13.50 411,00 414,00	May 119.00 119.25 119.05 119.00	Copper (Grade A) Galla Puts	Dec 573.0 578.0 578.0 573.0.	COTTON 50,000; cents/fbs	69.30 69.20
	Oct 389.00 385.00 390.00 387.50	Jun 120,40 120.65 120.65 120.55 Nov 107.20 107.05 107.20	2500 176 170 47 111	Jan 576.6 581.6 0 0	Close Previous High/Low	
a-tenne unless athorwise stated, p-pence/kg.	Mar 370.50 372.00 370.50	1907 19129 19129	2700 117 123 86 161	COPPER 25,000 libs; cents/fbs	Dec 73.17 76.09 74.30 73.10	I BAT LUDAN OR ONE
cons/lb. r-ringgit/kg. y-Oct. >-Oct/Occ. t-Jan/ ar. v-Nov/Dec. w-Dec. z-Jan/FebtMext Com-	Turnover: Raw 7475 (4565) lots of 50 tonnes.		2900 72 86 149 221	Close Previous High/Low	Mar 75.07 76.70 75.90 75.02	LIVE HOGS 30,000 lb; cents/lbs
ission average latslock prices. * change from	White 1838 (992) Pauls: White (FFC per tennel: the 2500 Mar	Barley Close Provious High/Low	Coffee in the ten ten		May 75.80 77.15 78.40 75.60 Jul 75.85 77.00 76.30 75.65	Close Previous regul/Low
wook ago Vilondon physical market (CIF onordam & Bullion market close m-Malay-	2523. May 2570 Aug 2650. Oct 2485, Dec 2410.	Nov 106.00 105.50 106.00	700 24 56 29 SR	Nov 115.75 116.40 115.75 116.76 Dec 114.50 115.20 115.00 113.20	Oct 69.35 70.00 69.80 69.20	Dec 47.95 47.52 48.50 47.35
оположи 🚓 Вински пильми своем. т-манау-	OAS OIL - IPE S/toute	Jan 109.90 109.50 110.00 Mar 112.80 112.40 112.95 112.90	700 24 56 29 58 750 8 37 63 87	The state state state .	•	Feb 47.92 47.70 48.55 47.55 Apr 44.58 44.67 44.57 44.25 July 48.65 48.70 48.80 47.55
		Turnover: Wheat 149 (270), Barley 56 (176).	800 3 23 108 123	, , ,		Jun 48.65 48.70 49.00
		Turnover lots of 100 tonnes.	Cocsa Doc Mer Dec Mer	RIDICES	ORANGE JUICE 15,000 lbs; cents/lbs .	48.85 48.65
RUDE OIL - IPE S/barrel	Dec 178 25 179.00 180.25 177.75 Jan 173.75 174.75 178 00 173 75			REUTERS (Base: September 18 1931 = 100)	Clase Pravious High/Low	Ord 47.07 47.85 47.70 47.20
	Fob 169 50 170.75 171.25 169.50	mind - from Mark Santon and A	750 18 29 18 71	1————		43.10
	Mar 165 00 165 75 166 25 165.00	PICS - BFE (Cash Settlement) p/kg	800 4 16 64 108	Nov 9 Nov 8 mnth ago yr ago	Nov 128.00 129.00 129.00 128.00 Jan 122.60 123.85 123.90 122.00	PORK BELLES 40,000 lbs; conts/lb
ac 19 11 19.00 19 15 19.05 an 18.74 18.61 18.75 18.65	Apr 161.25 161.25 162.50 161.25 May 159.00 159.50 159.00	Clasa Previous High/Low	Brent Crude Jan Feb Jen Feb	( <del></del>	Mar 122.70 124.20 124.05 122.20	Cidee Previous High/Low
ob 18.42 18.30 18.45 18.37	Jun 158.25 158.50 158.25	Nov 125.5 126.0 125.0 Feb 115.0 116.0 114.0 1		DOW JONES (Base: Occ. 31 1974 = 100)	May 123.55 124.86 124.00 122.50 Jul 128.80 125.25 123.75 123.25	Feb 63.30 63.17 63.80 62.15
E Index 19.04 18.81	Jul 157.50 157.50	Apr 114 5 114 5 113,7	1800 93 90 18 43 1860 66 61 38 64	Spot 130.54 130.52 139.25 136.25		
urnover: 8039 (11436)	Turnover 4195 (5915)lots of 100 lonnes	Turnover 31 (64) lots of 3,250 kg	1900 34 40 60	Futures 131.57 131.35 129.87 138.76	Nov 123.70 124.60 124.00 124.00	Jul 58.37 68.65 58.90 57.75
		- · - · ·		<del></del>	Mari 123.70 124.60 - 0 - 1-1-10 3	Aug 56.30 56.82 56.80 56.80

#### CURRENCIES, MONEY AND CAPITAL MARKETS

#### FOREIGN EXCHANGES

# Dollar up as D-Mark falls

DEMAND FOR the dollar increased yesterday, as uncertainty surrounded the D-Mark and Japanese institutions bought dollars to invest in US Government debt at the Trea-

sury auctions.

A move by the US Federal.
Reserve to drain money from the New York banking system for the second day running came as a surprise, and also contributed to the dollar's rise. rederal funds were trading at 81 per cent when the Fed set over the weekend matched sale and repurchase agreements. The move was regarded as technical, however, and dealers continued to believe that the target rate for Fed funds has

been lowered to 8% per cent from 8% per cent. Speculation that the Bank of Japan is considering a rise of 1 per cent in its discount rate led to further gains for the yen against the D-Mark, but failed to prevent the dollar from rising against the yen.
The D-Mark was particularly

STERLING INDEX 89.0 89.0 88.9 89.0 89.0 89.0 89.0 710 750 750

**CURRENCY RATES** 1.42777 1.10991 1.29548 14,4809 43 1282 7.97578 2.05666 2.32048 6.97296 1501.37 158.439 7.63610 129,737 7.12615 1.86415 1.86415 ed is terms of SDR and ECU.per S.

12.

CURRENCY MOVEMENTS Genrapty Changes %

OTHER CURRENCIES

FORWARD RATES **AGAINST STERLING** Sport 1 3 6 12 miles miles miles

O.L.OC a.m. Nov.100 S months US delians **MONEY RATES** NEW YORK

FT LONDON INTERBANK FIXING

One Month Two Mouths Str Mooths Nov.20 8.00 9.50 LONDON MONEY RATES One Year

141 15 10 143 144 144 144 14% 1414 144 144 144 148 148 833 91 84 103 103

Treasury Bills (cell); one-month 1422 per cent; three months 1415 per cent; Bank Bills (sell); one-month 1432 per cent; three months 1445 per cent; Treasury Bills; Average tender rate of discount 14 3433 p.c. ECGD Flued Rate Sterring Export Finance. Make up day October 31, 1989 Agreed rates for period November 26 1989 to Desember 25, 1989, Scheme 1; 15.66 p.c., Schemes 16 Bill: 16.22 p.c. Reference rate for period Sopt 30,1989 to October 31, 1989, Scheme IVAV: 15,084 p.c. Local Authority and Finance Houses even days notice, others seven days lived Finance Houses Revers Base Rate 13 from November 1, 1989, Sank Begock Rates for sums at seven days notice 4 per cent. Dertificates of Tax Denosit (Series 6); Deposit £100,000 and over held noter one month 112; per cent; one-three months 13 per cent; three-sia months 13 per cent; six-nine months 13 per cent; ainet-weive months 13 per cent; Under £100,000 1112 per cent from Oct 9,1989. Deposits withdrawal for cash 5 per cent; Under £100,000 1112 per cent from Oct 9,1989. Deposits withdrawal for cash 5 per cent.

weak, undermined by the possible consequences for the West Germany economy from an influx of refugees from East Germany. A flood of migrants could involve the Bonn government in a considerable increase in public spending and a rise in inflation, accord-

ing to some analysts.
Nervousness about the D-Mark helped to keep sterling steady overall - the pound's exchange rate index closed unchanged at 89.0 - and continued to make life more comfortable for weaker members of the European Monetary System, such as the Danish krone and Italian lira. The krone traded well within its cross rate limit against the D-Mark, while in Milan the German currency finished below L730 for the first time in several weeks. At the close in Several

the yen to Y76.95 from Y77.15 in Tokyo. High yielding currencies remained generally wall sup-

weeks. At the close in Europe, the D-Mark had fallen against

ported, but the Australian dol-lar weakened as the US dollar rose. The Australian currency closed at 78.67 US cents in London, compared with 78.875 cents in Sydney. The US dollar finished in

London near the top of its trading range on the day. It rose to DM1.8630 from DM1.8480; to Y143.35 from Y142.80; to SFr1.6375 from SFr1.6210; and to FFr6.8150 from FFr6.2675. According to the Bank of England, the dollar's index rose to 69.9 from 69.6.

Sterling showed mixed changes, rising against the D-Mark but losing ground to the dollar. There were no new factors to influence the pound, and the UK currency tended to trade quietly on the sidelines. Sterling fell 1 cent to \$1.5765 and also declined to ¥226.00 from Y226.50 against the strengthening yen. On the other hand the pound rose to DM2.9375 from DM2.9325; to SFr2.5825 from SFr2.5725; and to FFr9.9550 from FFr9.9425.

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

EMS EUROPEAN CURRENCY UNIT RATES 42,4582 7,85212 2,05853 6,90403 2,31943 0,768411 1483,58 133,804 ±1.5424 ±1.6419 ±1.1019 ±1.3719 ±1.5019 ±1.6689 ±4.0815 EURO-CURRENCY INTEREST RATES

One Year Nor 10 147-141, 81-81, 12-111, 84-86 145-147 115-117 115-117 87-81 148-144 82-84 124-114 84-84

EXCHANGE CROSS RATES Yes FR. SFr. HFL Lisz CS BFr. 2.938 226.8 9.955 2.583 3.313 2142 1.845 61.40 1.863 143.3 6.313 1.638 2.101 1958 1.170 38.93 3.588 0.879 1.128 729.1 44.05 11.43 14.66 9478 1.984 2.951 227.0 10. 2.595 0.611 1.137 87.50 3.854 1 3.005 4,648 0.780 1.205 1592 1225 4.785 3581 5.3% 16.21 9555 2558

Yen per 1.000: French Fr. per 10: Lica per 1,000: Belgian Fr. per 100. **MONEY MARKETS UK** rates firmer

> RATES HAD a firmer tone in London yesterday. Three-month sterling interbank rose to 154-15 from 154-148 per cent. The Bank of England forecast a money market credit shortage of £900m, revising this up to £950m at noon. Total help of £950m was provided.

UK clearing bank base lending rate 15 per cent from October 5

In early assistance the authorities bought £350m bills, by way of £5m Treasury bills; £15m local authority bills; and £330m bank bills in band 1 at 14% per cent. Before lunch another £264m bank bills were purchased in band 2 at 14%-142

per cent.

Later, the Bank of England bought \$226m bills, via \$25m Treasury bills in band 2 at 14% per cent and £201m bank bills in band 2 at 14%-14% per cent.

Late assistance of around \$110m was also provided. S110m was also provided.

Maturing bills, repayment of late assistance and a take-up of

Treasury bills drained £798m, with a rise in the note circula-tion absorbing £455m. These outweighed Exchequer transactions adding £335m to liquidity and bank balances above tar-

FINANCIAL FUTURES AND OPTIONS LIFFE LONG GILT FUTURES OFTION CS0,006 64ths of 1887. LIFFE BUND FUTURES OFTENS BAZSO,000 points of 180%. 000 0-02 0-03 0-08 0-19 0-44 1-31 2-26 0.27 0.40 0.57 0.78 1.04 1.34 1.68 eximated volume total, Calls, 522 Puls 785 revious day's open let. Calls 18368 Puls 17741. LIFFE SHERT STEELING DPTENCE 5500,880 points of 180% 18.00 13.00 8.00 4.09 1.09 0.72 Dec 0.01 0.02 0.07 0.18 0.36 0.60 0.84 991 0.70 0.52 0.36 0.23 0.14 0.09 0.16 0.34 0.53 0.75 0.98 1.22 151 129 109 0.90 0.73 0.45 Established volume total, Calls O Pots 20 Provious day's open lot. Calls 3829 Pots 2960 Estimated volume total, Calls O Pals O Previous day's open lat. Calls 211 Puls 16 LONDON (LIFFE) 91.59 91.79 92.00 92.11 91.75 91.98 92.11 92.17 Extimated uplame 6375 (9254) Previous day's open int. 35720 (36076) 99-21 99-15 1-mil. 3-mil. 6-mil. 12-mil. 15663 15519 15302 14935 DIN-STEIKLING & per C Low Prev. 1.5700 1.5718 1.5470 1.5484 1.5250 1.5268 PHILABELPHIA SE E/S OPTIONS £31,250 (costs per £1) 6% NOTIONAL LINE TERM JAPANESE GOVT. 2000 Y100m 1990s of 180%

CHICAGO Han 55.40 57.76 57.76 58.37 58.37 58.37 58.37 Est., Vol., Gac., figs., not showe) 3055 (8183) Previous day's open Int., 42554 (42475)

Latest Righ Lew Prev. 0.7009 0.7019 0.7006 0.7001 0.7034 0.7044 0.7033 0.7027 0.7049

Latest High Low Pres. 0.5388 0.5400 0.5378 0.5399 0.5388 0.5400 0.5379 0.5400 0.5400

Latest High Low Pres. 339.70 340.10 339.10 338.10 344.15 344.25 343.50 342.40

130 9 16 21 3 5 9 140 5 11 16 8 11 14

330 35½ 45½ 56 12½ 17 21 360 19½ 29 40½ 27¼ 32½ 36½ Bes Feb Age Des Feb Age

850 67 95½ 114 10½ 23¼ 32½ 900 33¼ 63½ 82¼ 28¼ 41¼ 50¾

40 8 12 15 2 4 5 45 5 8 11 42 52 72

180 21 26 32 1½ 4 6° 200 5½ 11½ 19 6½ 14 16

160 12 1921 5 35 65 9 180 3 9 12 16 175 205

700 42 72 97 28 40 45 750 17 49 - 55 65 -

FT GUIDE TO WORLD **CURRENCIES** Every Tuesday in the FT

**LONDON TRADED OPTIONS** 330 43 53 62 5 9 10 360 22 35 43 14 21 23 180 20 27 31 3½ 7 8 200 9 16 20 12 15 18 220 3 7½ 11 27 28 30

110 9 13 17 8 10 13 120 5 9 14 14 15 17 140 17 24 27 I 2 4 160 3 72 12 6 8 11

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LONDON MARKETS

DIVIDENDS ANNOUNCED Total last Total for ponding dividend year payment payment 0.46 1.2 5 0.71 1.23

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue, tOn capital increased by rights and/or acquisition issues, \$USM stock. \$\tilde{S}Unquoted stock. \$\tilde{T}hird

LONDON RECENT ISSUES EQUITIES

Closing Price p Paid op Resence Caste 20pm 1½pm ½pm 250 ½pm 34pm 106 ½ 76pm 13pm 3pm 13pm 13pm 13pm 1 k pm 1 k pm 250 k pm 34pm 106 k 54pm 4pm 3pm 6/12 412 712

FIXED INTEREST STOCKS issue Price £ Closing Price E Pald up 975 939 95-20 97-21 1009 1009 1009 1009 730 1069 200m 103-p 51p 101a 103-100a 88p 138p וחעו 8/12

TRADITIONAL OPTIONS First Dealings
Last Dealings Calls in: Tranwood, Amstrad, Saatchi & Saatchi, Tuskar Resources, Euro Disneyland, Royal Bank Scott, Ferranti, Willis Faber, Erith, S. Miller. Last Dealings Last Declarations Nov 17 Feb 8 For settlement

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#### WORLD STOCK MARKETS

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#### **WORLD STOCK MARKETS**

# Pattern of rebounds from falls continues

IN A continuation of its twoweek pattern of alternating drops and bounces, Wall Street recovered sharply yesterday morning from its 20-point loss on Thursday, writes Anatole Kaletsky in New York. The dollar rose steeply in

response to the news that the Berlin Wall was to be demol-ished by the East German Government, but the apparent "flight to safety" in the Euro-pean foreign exchange markets had no impact on either US

bonds or stocks. By 2 pm the Dow Jones Industrial Average was 14.96 points up at 2.618.65. The Dow had gained over 20 points in the first few minutes of trading, erasing Thursday's 19.67

THE HISTORIC events in East

Berlin have given West Ger-many, and to some extent the

other continental countries, an

escape from a slavish obsession with Wall Street, writes
Our Markets Staff.
FRANKFURT escaped from

the intense gloom of just a few short days ago. Trading vol-ume was DM5.9bn, nearly twice Wednesday's level, the FAZ index rose 11.77 to 634.84

at midsession and the DAX 33.73 to 1,496.69, for rises on the

week of 3.7 and 3.8 per cent

respectively.
Cool heads now see a

two-way bet on the political sit-

uation. Construction and retail shares have risen on the influx

of East German immigrants. In the first category, Hochtief yes-terday rose DM45 to DM985, for

a two-day gain of DM115 or 13 per cent. Among retailers, Kaufhof gained DM56, or more than 10 per cent, to DM605. With its discount subsidiary, Kaufhof is company.

Kaufhalle, Kaufhof is seen as a

beyond immigration to reunifi-cation or, at least, substan-

However, analysts looking

big winner in this situation.

point loss. Trading on Wall Street began at 10.80 am, an hour later than usual because of a fire in the New York Stock Exchange's computer facility. To preserve orderly markets, the hour-long trading halt was also extended to the American Stock Exchange and the Chicago Mercantile Exchange. Volume on the Big Board was moderately active, with 81m shares changing hands by lunchtime, and advancing

issues outnumbered declines by about eight to five. The bond market was unmoved by the sudden strengthening of the dollar in Europe and the news from Ber-lin, focusing instead on the sig-nals of a steady monetary pol-icy from the Rederal Reserve icy from the Federal Reserve

operation between the two Ger-manles, are talking about the scope for re-tooling the East

German economy, using West German capital goods. Engi-neering, steel and energy

Some observers now expect West Germany's 1990 gross national product to rise by 3.5 per cent, against earlier expec-

per cent, against earner expec-tations of 3 per cent and a 4 per cent target for 1989. Others say that the market now has a sce-nario for the first half of the 1990s, not just the first year. PARIS decided it had had

enough of worrying about Wall Street - especially as the fire

there delayed the start of trad-ing — so it turned to West Ger-

many instead and shared in

the enthusiasm for the planned

DM8hn building programme. Shares ended higher, buoyed by 5 per cent rises in building

materials companies such as

Saint-Gobain and Sommer Alli-

bert. The OMF 50 index gained

5.47 to 498.93, the day's high and a 0.6 per cent gain on the

week. The CAC 40 real-time

index rose 19.24 to 1,820.33 and

turnover was estimated at

stocks rose accordingly.

day and Tuesday.
As expected, the Fed drained reserves from the money mar-ket through weekend matched sales, indicating strongly that it did not wish to see the Fed Funds rate fall significantly below the new target of 8% per cent. By early afternoon, Fed Funds were trading at 8% per cent and the Treasury's benchmark long bond was steady at 1022, a price at which it yielded 7.89 per cent.

Apart from a mechanical reaction to Thursday's fall, one of the main reasons for the recovery of the Dow was a jump by Woolworth. The stock gained \$2% to \$80, mainly in response to a broker's circular which pointed out that Wool-worth was a leading retailer in West Berlin and Germany and

Glass producer Saint-Gobain jumped FFr31 to FFr630 and

plastics and carpet tiling, was

up FFr130 at FFr2,480, prompt-

ing comments about over-

"People had expected a bounce and they were getting bored and wanting something to do after two weeks of nothing," said one analyst. White

goods producers Moulinex and Seb climbed FFr8.40 to

FFr137.40 and FFr50 to FFr945

Metaleurop remained strong, rising FFr7.70 to FFr274 on

continued speculation about the sale of part of Imetal's stake in the company; Preus-sag of West Germany denied it

planned to increase its 45 per cent in Metaleurop.

AMSTERDAM had a few sav-ing features in a subdued day, the CBS tendency index edging

up 0.1 to 178.7, a rise of 0.9 per cent this week.

Unilever reported a 15 per cent rise in third-quarter prof-

its, at the top end of expecta-

tions, and turned the market round from early weakness. It

pectively.

er Allibert, which makes

would benefit from recent events there. Among other blue chips which performed fairly strongly were Philip Morris, up \$% at \$40, and IBM, which rose \$% to \$98. But IBM's strength did not signal a broader recov-

ery in the computer and tech

nology sector, where Digital Equipment, for example, fell \$% to \$85%. The only takeover development was a \$5 jump in Desoto Inc to \$47%. Late on Thursday night, Sutton Holdings announced a hostile, \$50-a-share bid for the paints, coating and detergent group. Wyse Technologies added another \$% to \$10% following its disclo-sure earlier this week of a \$10a-share offer from an unnamed

bidder. Another special situation

CSM, the sugar company, jumped F14.30, or 5.8 per cent, to F178.30 as interest grew following the takeover of the

sugar refining operations of Belgium's Raffinerie Tirlemon-

toise by Südzucker of West

Germany. The stock looked cheap and was also defensive,

said one analyst, with 50 per cent of the company's earnings guaranteed by European Com-

nunity sugar subsidies.

BRUSSRLS was encouraged

the hope of increased business

for Belgian companies. The

cash market index added 55.24 to 6,391.94, ending 0.9 per cent higher on the week, in higher

MILAN saw Ferruzzi stocks

lead an early rally, but the mood passed and the Comit

index ended 1.15 lower at

647.41, down 0.8 per cent over

five days.

ZURICH heard rumours that

a big company might convert participation certificates into

shares, or open its registered share ownership to foreign par-

ticipation. The Crédit Suisse

index rose to 4.4 to 603.5, up 2.1

events in West Germany, in

was Pinnacle West, a thrift holding company, which fell by \$1 to \$8 in very heavy trading. The drop followed a demand from the Office of Thrift Supervision that Pinnacle West raise new capital for its Merabank

#### Canada

A SLIGHT rise in Toronto at midsession came in quiet trading, with investors apparently distracted by Veterans' Day. The composite index gained 5.7 to 3.937.2.

Volume was 22m shares, and declines outpaced advances by 253 to 214.

253 to 214.

Xerox Canada shares gained C\$3% to C\$21% in early trading after the company said that it had improved the terms for a

#### Events in Berlin encourage new perspective MADRID weakened in thin trading after Thursday's holiday and the general index closed 1.7 lower at 300.3, a fall of 1.8 per cent on the week. Indications from the Governor

of the Bank of Spain that mon-

etary policy would remain firm or even tighten did nothing to lift the clouds.
STOCKHOLM was discouraged by the overnight weak-ness on Wall Street, and the Affärsvärlden General index lost 2.9 to 1,220.5, up 0.4 per cent on the previous Friday's close. Turnover remained low. Ericsson free B shares gained SKr4 to SKr849. The telecommunications group and four other leading companies, including Volvo, make interim

reports on Thursday. COPENHAGEN focused on shipping and selected stocks, with the bourse index adding 1.36 to 344.04, while HELSINKI retreated in a cautious session, as the Unitas all-share index dropped 6.4, or 1 per cent, to

VIENNA jumped 16.47, or 4 per cent, to 424.13 in active trading, encouraged by the pre-vious day's upturn.

#### **SOUTH AFRICA**

GOLD STOCKS tell sharply in Johannesburg as the bullion price declined. Vaal Reefs lost R11.50 to R393.50.

# Locals and foreigners beg to differ over Taiwan

Alison Maitland examines the market's resilience

TO MANY an English speaker, investing in Taiwanese shares through a local broker known as "Top Soon Securities" would seem appropriately foolhardy. An emerging market whose index has risen from 1,000 to over 10,000 in less than three years, whose turnover value on some days this year has beaten that of Japan, and whose price/ earnings ratios are among the highest in the world, must surely be riding for a fall.

That, at least, is the view of many foreigners, who are shunning the four offshore funds open to overseas investors, and it is a view shared by more cautious Taiwanese.

But Top Soon is a misleading phonetic translation of the Chiphonetic translation of the Chnese name, Ta Shuen, which
actually means "Running
Smoothly." Or, as the Americans (ubiquitous in Talwan)
might say, "No Sweat." It sums
up the attitude that has prevailed for most of this year
among the island's 2m or more
small investors — roughly 10 small investors - roughly 10

Driven by these enthusiasts, the Taipei market has continued to defy the prophets of doom. It marked the bloodshed in Peking's Tiananmen Square in June with only a temporary dip, survived a crackdown in July on the scores of unlicensed investment houses, shrugged off the Wall Street mini-crash last month, and sniffed the air above the 10,000 level in spite of government plans to raise the tax on share

transactions in the new year. The momentum has been lost in recent weeks, partly due to uncertainty over next month's elections, but so far there has been no collapse.
Brokers find it hazardous to

predict where Taiwan will go next, as it frequently does the opposite almost immediately. But the sheer weight of money is a powerful reason for argu-ing that, while there may be sharp setbacks, this is not a bubble about to burst.

Two crises have already been overcome, in 1987 and 1988. In last autumn's scare, shares fell 40 per cent after Ms. Shirley Kuo, the Finance Minister, announced plans for a capital gains tax. By June this year, the market had surpassed

wanese had found a way round the tax.

This resilience seems only to have strengthened confidence, driving trading to phenomenal proportions this year. Turn-over reached a record NT\$194bn (U\$\$7.6bn) on August 28 — more in three hours of trading than mighty Japan did in four, indeed the entire capital of the market is turned over once every two

months on average, according

Average daily figures Oct 89 (\$ bn)

US when they were adoles-cents. What has fuelled this

particular excess, however, is

the convergence of an undevel-oped financial system and the

ast wealth that has built up

during 30 years of prodigious

conning so years in promisions economic growth.

The country has foreign reserves of \$75bn, the highest in the world after Japan's, per capita income of about \$7,500

(between that of Greece and

Spain), an economy still growing at 7 per cent this year, and

no rewarding outlets for all

this money other than the

Small wonder, then, that the trading floor of Asia Securities,

one of Taiwan's biggest bro-kers, is crammed daily with about 3,000 people, poring over

stock and property markets.

Tokyo Tat & Znd secs

New York NYSE

Frankfurt

Share turnover

6

per cent of the population.

to Mr Danny Chan of Fidelity International Taiwan's capitalisation has reached nearly \$250bn - but that is still less than a twelfth of Japan's and represents only 3.4 per cent of world capitalisa-The bulls argue that Taiwan is not substantially different now from markets such as the

its old high - and most Tal- charts, handing wads of notes across the counter, or talking excitedly about the prices on a bank of computer screens. There are studious young men. pensioners, women with toddlers in tow. They do not ooze

> transaction is worth \$22,000. The securities business has its talons embedded in the listed companies are already outnumbered by 180 brokerages. Mr Chan of Fidelity has calculated that, if all the new applications for brokerages are approved, there will be one firm for every 6,210 adults by the end of the year. With an average of 150 people employed per brokerage, that means nearly one in 40 adults work-

wealth. Yet the average share

ing in the securities business The Government is worried that many people are giving up their jobs to punt on the stock market. Hence its plan to increase the share tax, which is expected to replace the dis-

credited capital gains tax. Concern about the size of the increase, and violence in the run-up to the December 2 elecoutlook for the market. The Government may get tough with speculators once the poll is out of the way. But it would be loath to see another crash, given the sheer number of investors and the high propor tion of military and civil ser-vice pensioners among them.

Taiwan needs tighter rules to give it long-term stability, and it needs more listed companies and a bigger free float to curb manipulation. The highly priced banks, with a small float and large market capitalisation, tend to be used to drive up the index.
They also inflate the mar-

ket's price/earnings ratio, which brokers James Capel calculate would drop from 68.5 to 41 if the financials were stripped out. That is still high, but if Taiwan marks time for a while, earnings may catch up a

Some locals feel this year has been the last chance to make big money in Taiwan, which will now become a "bor-ing" market like Hong Kong. But there are others who pre dict that the index will reach a

# Nikkei little changed as confusion persists

#### Tokyo

CONFUSION over the direction of interest rates kept investors wary, and share prices closed barely changed in mixed trading, writes Michigo Nakamoto in Tokyo.

A stable currency market

helped the Nikkei rise to an early record high of 35,708.67. However, repeating its recent discomfort with higher levels, ed to a low of 35,595.49 before closing with a minimal gain of 5.78 at 35,663.20, up 0.5 per cent on the week. Advances slightly out-numbered declines at 494 to 422, with 192 issues unchang Turnover swelled to 1.1bn shares from 855m on Thursday. The Topix index of all listed shares saw a gain of 8.65 to 2.692.77. In London, the ISE/

Trading was caught in a tug of war between buying on the strength of currency stability, and selling on interest rate fears. After hopes were raised that the US was easing its monetary policy, investors in Tokyo were confused yesterday by overnight moves in Washington, which led many to suspect that the authorities in the US would go so far, but no further, at the moment.

Nikkei 50 index rose 2.96 to

Meanwhile rumours in Tokyo that there would be an increase in the official discount rate gave the market a fresh

NATIONAL AND REGIONAL MARKET

Figures in parenther show number of sto

West Germany (98)... Hong Kong (48).....

per grouping

Italy (97)

quelled until a Bank of Japan official stated that the central bank was not considering another discount rate rise in the near future. The bank, he said, was still considering the effects of its latest rate

increase in early October. Under these circumstances, institutional investors remained entrenched on the sidelines. "The institutions don't want to take an active watching Wall Street and the Fed's moves," an analyst at SBCI Securities said.

However, the fashion for special-interest stocks, particularly some large capitalisation issues, brought a large number of new buyers into the market, of new buyers into the market, explaining in part the gain in volume. The pursuit of companies with huge land assets along Tokyo's waterfront showed signs of a revival, after being neglected for some time. Ishikawajima-Harima Heavy

Industries, the shipbuilder, with land due to be developed along Tokyo Bay, had the second largest volume with 38.7m shares and gained Y10 to Y1,390, after rising Y40 to Y1,420 during the day. Tokyo Gas, the utility which also has substantial Tokyo Bay

holdings, advanced Y50 to Y1,200 in active trading. There was renewed interest in construction companies, on the grounds that US demands for increased infrastructural

THURSDAY NOVEMBER 9 1989

126.13 129.16

earlier this year.

#### Roundup

IN THE Asia Pacific region, Australia and Hong Kong both ended the day lower, but went in different directions over the week. The picture was simi-larly mixed elsewhere.

aged by the fall on wan street overnight and by a slightly weaker gold price. But gold shares held firm, while the big diversified miners were sold.

The All Ordinaries index fell 13.8 to 1,636.6. That left it 1.2 per cent down over the week,

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood

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Gross Div. Yield

and housing development in Japan would boost their earn-ings. Aoki Construction topped the actives list, with 59:2m shares, and rose Y70 to Y1,670. Many securities firms were said to be buying Aoki, which was a successful play the last time construction had a run carlier this rest.

Bullish trading in Osaka saw the OSE average breach its high to close up 159.11 at a record 36,812.48. Volume also

in spite of a sparkling performance in the gold sector. Turnover was a moderate 109m shares worth A\$235.

National Australia Bank

the 63.5m traded on Thursday.

AUSTRALIA had a second day of profit-taking, encouraged by the fall on Wall Street

reversed its 2-cent loss of Thursday to close at A\$6.72 in the wake of its record profits, while other banks fell. Roth-mans Holdings rose 25 cents to

WEDNESDAY MOVEMBER 8 1989

Morris's 24.9 per cent stake in Rothmans International. HONG KONG had second thoughts about the resignation of the Chinese leader Deng Xiaoping, especially given the cautious stance adopted by for-eign institutions. The Hang Seng index eased 4.58 to

2,776.86 after its 50-point jump on Thursday, leaving it 1.4 per cent up on the week. Turnover was HK\$1.1bn, from HK\$905m. return of some institutional buying and the Straits Times

strial index gained 6.75 to 1,331.99, but was barely changed over the five trading days. Turnover was still low at 46m shares, against 44.5m. Lit-tle attention was paid to news that .Singapore companies must de-list from the Ruala Lumpur Stock Exchange by December 31. SEOUL rose strongly for a

second day on enthusiasm over government moves to bolster the economy. The composite index was up 20.38 at \$27.59, giving a gain of 6.3 per cent over two days and 4.6 per cent

TAIWAN ended marginally lower, the weighted index off 7.08 at 10,127.05, or 4 per cent down on the previous Friday.

MANILA finished almost unchanged as traders and retail investors switched into mining shares. The index closed at 1,363.27, up 4 per cent on the week.

DOLLAR INDEX

149.68 97.02 131.60 116.83 147.70 125.82 110.05 86.29 105.91 131.03 85.92

165,23

133.58 85.20 137.20 111.54

114.52 125.85 173.19 149.74 111.80

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where principal market is detailed the UK and Republic of irotand. Quotation has not been granted to London and dealings are not recorded in the Official List.

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Boral Ord -61.716 (8/11)
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City Developments S33.55, 56031 (8/11)
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#### LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, hey are not in order of execution but in ascending order which denotes the day's highest and lowest dealings. For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous

days is given with the relevant date. Rule 535(2) and Third Market slocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic

‡ Bargains at special prices. P Bargains done the previous day.

Corporation and County Stocks No. of bargains included 4 Greater London Council 6 % 58k 90/92 - 1.95 % 7, 7 (8Mo89) Sumingham Corp 2 % Stk 1925(or after) - 123 (7No89)

ewcastle-Upon-Tyno(City of) 11 % % Red Stx 2017 - £95% **UK Public Boards** 

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Commonwealth-Government Jersey Electricity Co Ld 6% Gld Sik 2000 - £90 (8No89)

8" Grd Stk 2000 - £95 (8No89) Foreign Stocks, Bonds, etc-(coupons payable in London) No of bargains included 27

Puo De Janero(State of)Brazii 5%% Crw(Stig Ln Eds)(A-now 1 %%) - 285 (6No89) 7% Stig Ln 1927(Plan A -now 2 %%) -165 (6No89) Abbey National Building Society 10%% Bds 1998 (Br25000850000) - 192% Nis 1989 due 1992 - 298 % % (6No65) ngio Group PLC 91/1% Criv Bds 1999 Angio Group PLC3\% Cnv Bds 1999 (Reg) - E132 (8No89) Argyl Group PLC4\% Cnv Bds 2002 -597\ (8No89) ASDA Group PLC9\% Bds 2002 - £82\ (8No89)

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ank of Montreal Realty Inc 10%% Nts 1992 - SC99 68 (3No89) 1992 - SC99 68 (3No69)
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Bds 1997 - SS11/ (5No69)
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Blue Circle Industries PLC 61/% Subord
Crv Bds 2002 - S102 (8No69)
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British Gas Ind Finance BV 111/% Gld Bds
1991 - S96//
Brish Tokecom Finance BV 81/% Gld Bds
1991 - S96//

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British Telecom Finance BV 81/8 Gld Bds
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Land Securities PLC91/24 Bds 2007 -280% 64% Crw Bds 2002 - 287% (8No89) 94% Crw Bds 2004 (Br25000850900) 290% 15

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MB Group PLC5%% Subord Cmv Bds. 2002 - £99 95% Nts 1991 - £97,3569 New South Wates Treasury Corp 10%% Gld Bds 1992(Bx5500) - £92% (6No89) New Zeafand 97% Nts 1993 - £95% Ntpon Telegraph and Telegraph corp 07% Nts 1999 - \$102 325 (3No89) Norsk Hydro AS 10% Nts 1992 - £91% 2 12% Bds 1992 - \$20% (3No89) Perrson PLC Zero Cpm Bds 1992(Br55008500) - £73@ Prudential Finance BV 9%% Gld Bds 2007 (Br55008100000) - £85% Prudential Funding Corp8% Nts 1993 - \$97.4@ Ranks Hova McDougai PLC4%% Crv

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Slough Estates PLC6% Cnv Bds 2003 - £102% 
Smith & Nephrev Associated Cos PLC4% 
Cnv Bds 2002 - £101% 
Smith(W H) & Son(Highs) PLC71.% 
Subord Cnv Bds 2002 - £100 (8No89) 
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Subord Cnv Bos 2002 - £100 (BNo89)
State Electricity Comm of Victoria 15 %
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Storehouse PLC 41 % Cnv Subord Bds
2001(Br£5000) - £95 %;
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Electricite de France 12)/% Ord Lin Six 2008/99 . £1131 % is (3No89)

Europoan Investment Bank 9% Lin Six 2001 (Reg) - £277 / 8

9 % Lin Six 2009 - £927/4 % \* 101/4 % Lin Six 2004/Reg) - £967/4 \* 101/4 % Lin Six 2004/Reg) - £967/4 \* 101/4 % Lin Six 2004/Reg) - £967/4 \* (3No89)

Hydro-Outbot 12,75% Lin Six 2015 = £113 (8No89)

2113 (6No89) 15% Ln St. 2011 - \$127% % % 

- £121% © 20 Inter-American Development Bank9%% Ln Sit 2015 - £31% 2 (8No89) International Bank for Red & Dev9%% Ln Six 2010(Reg) - £91°= 115°s Ln Six 2003 - £105°2 fretand 12°s Six 2008(Reg) - £111% New Zealand 11°s Six 2008(Reg) -

£101% Sik 2008(Br £5000) - £101% 11% Sik 2014(Reg) - £103% 4 %

Nova Scotla(Province of) 16%% Ln Stk 2011 - £141% • Portugal(Rep oi)9% Ln Six 2016(Reg) — 180% 1 % (7No89) Province de Ouebec 12%% Ln Six 2020 — 100% % % Spainties E109%, % % Spain(Kingdorn of) 11 %% Ln Sik 2010(Reg) - £105 % % (용No89) Swaden(Kingdorn of) 9 % Ln Sik 2014(Reg) - 192.03 13.5% Ln Sik 2010(Reg) - £121%

(emoss) Inited Mexican States 16%% Ln Stk 2008(Reg) - £110 Banks and Discount Companies

Australa & New Zaeland Barving Gp New \$4155% Pd3Rig 50% Div Till 30/9/90) - 150 (31669) Bank of Welse PLC 13% Subord Uns Ln Stk 95/97 - £103 (31689) Stk 95/97 - £103 (3No89) Berdays PLCADR (4:1) - \$30 (7No89) Bardays Bank PLC77% Une Cap Ln Stk 85/91 - £90 % (8No89) 8 ¼ Une Cap Ln Stk 86/83 - £95 12% Une Cap Ln Stk 2010 - £102% 49 16% Une Cap Ln Stk 2010 - £102% 49

Barings PLC8% Cum 2nd Pri 21 - 87). (8No89)
Hambros PLC Non Vtg £1 – 80% (6No89)
Hambros PLC Non Vtg £1 – 80% (6No89)
Medland Benik PLC 7%% Subord Uns Ln
Sik 83/86 – 285% (8No89)
104% Subord Uns Ln Sik 93/98 – 294
14% Subord Uns Ln Sik 93/98 – 294
14% Subord Uns Ln Sik 2002/07 –
£111% 2

14% Subord Uns Ln Sik 2002/07 E111% 2
Mitsubishi Trust & Banking CorpCom Sik
Y50 - Y2758 &35 80 90
Mitsui Trust & Banking Company Ld Sha
of Com Sik Y50 - Y1980 4.03 2000 6
(7N089)
Mational Westminister Bank PLC 7% Cum
Pri £1 - 56 8
9% Subord Uns Ln Sik 1993 - £89%
121% Subord Uns Ln Sik 1993 - £89%
121% Subord Uns Ln Sik 2004 £104% (8N089)
Royal Bank of Scotland Group PLC
Warrants to sub for Ord - 69
51% Cum Pri £1 - 54
Standard Chartered PLC 125% Subord
Uns Ln Sik 2002/07 - £100% 1
758 Group PLC 10%% Subord Ln Sik
2008 - £911% % %2
TSB Hill Samuel Bank Holding Co PLC8%
Uns Ln Sik 8994 - £96 (7N089)
Warburg (S.G.) Group PLCGrv Did 25p 228 (8N089)
7% Cum Pri £1 - 82% (8N085)

228 (BNO89) 7%% Cum Pri £1 - 82% (BNO89) Wells Fargo & CompanyShs of Com Stk \$5 - £49.7229 \$ 78.085 (3No89) Breweries and Distilleries

Mo. of bargains included 487

Allied-Lyons PLC ADR (1:1) - \$7.2
(6xto89)
55% Curn Prf £1 - 54 (7xto89)
64% Red Deb Six 87x92 - £95 (6xto89)
75% Red Deb Six 88x93 - £95 (6xto89)
75% Red Deb Six 88x93 - £95 (6xto89)
75% Red Deb Six 88x93 - £98 (6xto89)
75% Uns Ln Six 82x98 - £79
88x9 LC33% Deb Six 67x92 - £98%
84% Deb Six 87x92 - £98% (6xto89)
10% Uns Ln Six 82x97 - £70 (3xto89)
75% Uns Ln Six 82x97 - £70 (3xto89)
75% Uns Ln Six 82x97 - £71 (6xto89)
82x8 Fixestnerits PLC7% Uns Ln Six 92x97 - £78% (6xto89)
82x8 Fixestnerits PLC7% Uns Ln Six 92x97 - £78% (6xto89)
82x8 Fixestnerits PLC7% Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163
82x8 Fixestnerits PLC65% Crw Uns Ln Six 2000/05 - £163

Greenall Whittey PLC8% Curn Prt 27 – 90 10% Deb Sk 2014 – 289%, (704059) Guinness PLCADR (5:1) – \$48 (80x089) Hardys & Hareons PLCOrd 25p – 940 International Distillers & Vanteers Ld 4%%. Deb Sitt 2002/07 – 248 (80x089) Macellan-Cleralyet PLC81% Core Una Ln Accellan-Companyon St. 2005 - £1200 (6No89) Mansfield Brewery PLCOrd £1 - 470 (71603)
Scottish & Newcastle Brewaries PLC4.6%
Cum Prf £1 - 75Ф
7% Crw Prf £1 - 160
7.6% 1st Mtg Deb Sc 89/94 - 290% %
(71089)
Vaux 270Up PLC9.875% Deb Sc 2015 -

10.75% Deb Sak 2019 - 294% % 10.75% Deb Sit 2019 - 134% %
(7No95)
11% Deb Sit 2010 - 2101% (3No85)
11% Deb Sit 2010 - 2101% (3No85)
11% Deb Sit 2010 - 2101% (3No85)
6% Red Deb Sit 88/94 - 281 (7No85)
7% Red Deb Sit 88/93 - 285 (3No85)
7% Red Deb Sit 87/92 - 285%
(3No85)

7 77 190 Deb Six 2012 - 2,00 1 (3No83) 12 % Red Deb Six 2008 - \$108 % Whithread & Co PLCB Ord 25p - \$11.45@ 51 % 3rd Cum Pri Six \$1 - 54 (8No89) 4 % Red Deb Six 99/2004 - \$58 7/No89)
7% Red Deb Srk 88/93 - 285/ (3No89)
7% Red Deb Srk 88/93 - 285 (7No89)
7% Uns Ln Srk 88/91 - 292Ф
7% Uns Ln Srk 88/91 - 292Ф
7% Uns Ln Srk 98/2000 - 280Ф
10% Uns Ln Srk 2000/05 - 295 6
(7No89)

Registered Housing Associations No. of bargains included nil

North Housing Association Ld8%% Gld Ln Six 2037 - 278% Commercial, Industrial, etc

ODITIFICE CRBI, INCUSTIBL, effC No. of bargains included 12604

ABB Kent PLC8% Una Ln Stk 88/83 –
185% (3No89)

ADT Ld ADR (10:1) – 118.83 \$ 3.0 \$
105.0 \$0.50 \$35.0 \$5.0 \$5.0 \$0.0

AMEC PLC 15% Una Ln Stk 1992 – 1100

Autours PLC Warrants to sub for Ord – 15
(6No89)

Albon PLCOrd 20p – 72 (6No89)

Alcan Auminium Ld Com Sha of NPV –
521%

Alson Group PLC8.250 (Ned Criv Crim \$21%
Alexon Group PLC8.25p (Net) Cmv Cum
Red Pr 10p - 89
Ambor Day Hidgs PLC 10%% Cum Pri
99/2002 \$1 - 93% (8No89)
American Brands Inc Shs of Com Six
\$1.125 - 588%
Arcolectnic(Nogs) PLCOrd 5p - 108
(8No89)

Arcolectric/Hidgs) PLC Ord 5p - 108 (8N-689)
Associated Birtish Foods PLC 59% Uns Lin Sit 87/2002 50p - 27 (7N-689)
77% Uns Lin Sit 87/2002 50p - 38 (7N-689)
4550ciated Fisheries PLC 8% Uns Lin Sit 91/96 - 283 (3N-689)
4550ciated Fisheries PLC 8% Uns Lin Sit 91/96 - 283 (3N-689) 91/96 - EB3 (3No69)
Associated Letsure Hidgs PLC71/9- Une
Ln Sis 89/94 - 281 (8No89)
Althroads PLCADR (5:1) - \$33% (8No89)
Althroads (Finance) NV8%p Gid Rod Criv
Pri Sp - 122
Austin Reed Group PLCOrd 25p - 410
(7No89) Austin Reed Group Face (7NoSS) (7NoSS) Automated Security(Hidge) PLG5% Cnv

Automated Socurity(Hoggs) PLG5% Cri Cum Red Pri 21 - 167 6°a Criv Cum Red Pri 21 - 123 8°a Criv Unis Lri Sik 90/85 - 2450 (8)0689 Avdel PLC 10°a Unis Lri Sik 96/98 -£90% (8Ne89) Ayrshire Metal Products PLC Ord 25p = 122 (7No89) B.A.T Industries PLCADR (1.1) = \$12 1/4 135
B.A.T. Investments PLC 10% Uns Ln Stk
90/95 - 295% (SNo89)
10%% Uns Ln Stk 90/95 - 295%
BBA Group PLC5% Cum Prf £1 - 47
(7No89)
BET PLC5% Perp Deb Stk - £45 (8No89)
BhS PLC5% Mrg Deb Stk 83/94 - £78
(3No89)

(3No69)
7'\*- Mtg Deb Sik 94/96 - £78 (3No89)
7'\*- Mtg Deb Sik 94/96 - £78 (3No89)
8ICC PLC6% 1st Cam Pri St. £1 - 60
7'\*- Deb Sik 85/90 - £90 (8No68)
7'\*- Deb Sik 85/90 - £90 (8No68)
7'\*- Deb Sik 99/95 - £85/;
8M Group PLC4.69 (Net) Cnv Cum Red
Pri 20p - 129
BDC Group PLC4.55% Cum Pri £1 - 62
(7No89) (7No89) 124° Uns La Sik 2012/17 - 2101 %

(7No891 BPB Industries PLC7%% Deb Stk 88/91 = 692 BS Group PLCOrd SN: Sp = 390 400 BTP PLC7 Sp(Not) Cnv Cum Red Pri 10p 8TP PLC7 Sp(Not) CRV cum Heg HT Tup - 91 BTR PLC ADR (4-1) - \$28% (6No89) Bardsoy PLC Warrants to sub for Ord - 24 (7No89) Beauford PLC 7p (Not) Cum Crv Red Prf 10p - 99 (7No89) Beazur PLC8.87% Cum Red Prf £1 - 89 (8No89) 81% Crv Uns Ln Stk 2000 - £10246 Birmd Quokossi PLC 71;% Uns Ln Stk 87/92 - £85 (3No80) Birmsngham Mint Group PLC6% Non-Cum Pri E1 - 55 Blackart Hutton Hidgs Ld5%% Cum Pri Six E1 - 50 (7No89) Blue Arrow PLCADR (10-1) - 315.14 Blue Circle inclustries PLC54% 2nd Deb Six 1984/2009 - 55 (8No89) Booker PLCADR (4:1) - \$25% (8No89) Booker PLCADR (4:1) - \$25% (8No89) Booker PLC74% Uns Ln Six 8843 -588

ater industries PLC4.35% Cum Pri \$1 7.75% Cnv Cum Pri 21 - 96 % % 7 8 Brent Chemicals international PLC 9% Cum Red Prf £1 - 95 (8No89) Bridon PLC 74% Uns Ln Stk 2002/07 -

£71 (7No89) British Aerospace PLC7,75p (Net) Gum Crw Rod Pri 25p - 93 ½ ½ 4 British Airweys PLCADR (10:1) - \$31.15**0** 

3rd Pri E1 - 62
7% Uns Ln Sk 85/90 - 630 (88/085)
British Steel PLCOrd 50p - 127 7 .372 %
% 87 .872 8 8 % % 9 9 % 30
ADR (10:1) - 520%
British Sugar PLC 10 % Red Deb Stk
2013 - 295% % 6 (78/089)
Brown 8 Jackson PLC 10.75% Cnv Cum

Pri £1 - 98

8rown(John) Pl.C5% Sec Ln Six 2003 - 256% (SNoS9)

Builers Pl.C6% Curn Pri £1 - 50 (SNoS9)

Bund Pl.C7% Cnv Uns Ln Six 95/97 - 273 ene investments PLC15% Lins Ln

Sik 2007/12 - £1074 Burton Group PLCWts to Sub lor Ord She 1991 - 15 9½% Uns Ln Sik 98/2003 - £84 (874029) 8% Chv Uns Ln Stk 1996/2001 -- 296 7

9 9 Carbury Schweppes PLC81/4 Uns Un Six 94/2004 - 280 (8No89) Card Group PLC7pCumChwRedPyl 2009 10p(N8 Pd-27/11/89) - 0% ½ Canadian Overs Pack Industr LdCom Nov - 88% R 25.85 26.15 27.4 p 400 23.1965 Cenadiun Pacific Ló4% Non-Cum Pri £3tig NPV - 41 (\$No89) Cape PLC 10% Deb Stk 86/91 - £92 (7No89)

Carclo Engineering Group PLC 10%% Cum Red Prf £1 = 100 (6No89) Red Prf 21 - 100 (Nodes)
Carrion Communications PLCCrd 5p
(Restricted Transler) - 770 (7Noés)
ADR (2-1) - 525
Caterplike IncSte of Com Six \$1 \$52.736954 (7Noés)
Translet Turnel Invéstments PLC5p \$1.33 p 121 \$1.93 p 123

\$1.83 p resource PLCOrd 25p \$15.38 (3No89)
Coats Pations PLC6% Uns Ln Stk
200207 - 285 (6No89)
7% Uns Ln Stk 99/95 - 281
Coats Viyella PLC4.9% Cum Pri \$1 - 52
Cohen(A.) & Co PLCNon,V "A" Ord 20p 8500 Coloroli Group PLU 37 10p - 90% (BNo89) Courtsuids PLC7%% Deb Str 89/94 roll Group PLC9p Curn Red Pri 2005

Coursiands PLC 7% Deb Set 8994 - 297-6
65% Uns Ln Sit 94/96 - 275 6
75% Uns Ln Sit 94/96 - 279
75% Uns Ln Sit 2000/05 - 277
Dourhaulds Coalings Ld 85% Uns Ln Sit 90/95 - 290 (84/089)
Courtaulds Cohing Brands Ld 75% Cum Prf Sit 21 - 70 (71/089)
Cowande Groot PLC 10½% Cum Prf 21 - 110 (71/089) Comande Groot PLC 101/1% Cum Pri 21 -110 (7No89) Crowther(John Edward)(Higgs) PLC5/1% Cum Pri 21 - 56 (7No89) Crystate Higgs PLC6/1% Cnv Uns Ln Sct 2003 - 257

DAG PLC7%% Uns Ln Stk 86/91 - £88 9 Daigety PLC4.85% Cum Pri £1 - 65 Dana Ld9% Uns Ln Stk 87/82 - £89**9** a Ld9% Uns Ln Sik 87/92 - 1894 enport Kritweer PLCOrd 10p - 408 les & Metcalle PLC"A"(Non.V)Ord 10p

- 221 3 5 withernhame PLC614% 2nd Deb Sik 90/95 - 278 (8Mo89) 7 X% Uns Ln Sik 2002/07 - 275 #Manato Delta PLC4.2% Cum 1st Pri £1 - 55

(8No89)
(8No89)
3.15% Cum 2nd Prf £1 - 43 (7No89)
3.15% Cum 2nd Prf £1 - 43 (7No89)
71% Deb Sik 65/80 - 291 (8No89)
10%% Deb Sik 65/99 - 296%
Dencora PLC6.25% Cum Cnw Red Prf £1
- 118
Dewhurat PLCOrd 10p - 67
Dickle (James) PLCOrd 25p - 162
Dowly Group PLC7% Cnv Cum Red Prf £1 - 118 Eastern Produce(Hidgs) PLC 10%% Uns Ln Str 92/87 - 253 (8No69) Eliott(8), PLC 7% Cnv Curn Red Prf £1 -86 8 8

Eliott(B.) PLC7% Cmv Cum Red Prf £1 - 86 8 8
Sewick PLC8% Cnv Cum Red Prf 92/94 £1 - 215 (7/1089)
Elyst(Winbledon) PLC9 % Ums Ln Sik 95/99 - 109 (8/1069)
Erzo-Gutzet (Oylmrsstricted A Shs FM10 - FM31 (8/1089)
Euro Disneyland S.C.A. Shs FM10 (Depositary Receipts) - 905 7 10 10 2 3 3 4 5 5 7 7 8 8 9 20 2 5 6t;
9% FM10 (8/1) - FM89% 9% 8 90 % % A % % 68 % 1 % % European Home Products PLC5% Cmv Cum Red Prf 2008/11 £1 - 65 5
Eurotunnel PLC/Eurotunnel SAUnits (1 EPLC Ord 40p & 1 ESA FM10) (8/1) - FM85.10
Units (Sicovam Inscribed) - FRS3 .8
Evide Group PLC7; 7% Cmv Cum Red Prf 95/99 £1 - 105 (8/1089)
Fmmor (J.H.) (#schotogs) PLC3.85% Cum

95/99 21 - 105 (8No89)
Fertner (J.H.) (Holdings) PLC3.85% Cum
Pri £1 - 56 (7No89)
Fertneti International Signel PLC5.6% 1st
Cum Pri £1 - 80 (3No89)
Reher(Alber)Group PLCADR (10:1) 517% (8No89)
Fsons PLCADR (4:1) - £13.2 (7No89)
55% Une Ln Sek 2004/09 - £50%
Rich Lovel PLC5%% Pri(Cum)£1 - 63 X
(3No89) (3No89) Fitzwitton PLC6%% Cum Pri IRE1 - 45

(8No89)
Fosses Group PLCOrd 5p - 66
Fosses PLC 44% Cum Pri 51 - 50
10% City Uns Ln Stk 90/95 - \$142
(7No89)
Frendly Hotels PLC 43% City Cum Red

(7/008)

Frendly Hotels PLC4\*% Crv Curn Red
Prf £1 - 92 (7/0089)

7% Crv Curn Red Prf £1 - 98

Fabra Hidge PLC7% Curn Prf £1 - 56

GIKN (United Kingdom) PLC 10% Gith

Deb Sit 90/95 - £35 (8/1089)

General Bectire Co PLCADR (1:1) - \$3.87

7, 7/3 (8/1089)

7, 7/3 (8/1089)

General Mortors Corp 7/% Gir Uns Lri Sit

8/782 - £87 (3/1089)

Gestatiner Hidge PLC 10% Criv Uns Lri Sit

90/95 - £129

Glano Group Ld6%% Uns Ln Sit 85/95

50p - 38

74% Uns Ln Sit 85/95 S0p - 42

(8/1089)

(8No89) Ghraved international PLC74% Cum Pri £1 - 74 (6No89) 1 - 74 (6No89)
7 % Deb Sik 8994 - 285% (7No89)
7 % Deb Sik 8994 - 285% (7No89)
10% Uns Ln Sik 9499 - 294 (3No89)
Goodhead Group PLC 7% Cnv Cum Red
Pri E1 - 120 (6No89)
Goodwin PLC 7010p - 47 (3No89)
Grace (W.R.) & Co Com Sik \$1 - \$29%
(7No89)

(7Not9)
Grand Methopolitan PLC4% Cum Pri £1
- 48 (6Not9)
5% Cum Pri £1 - 50% (6Not9)
Great Universal Stores PLC5%% Red Uns
Ln Skr - £48Ф
8% Uns Ln Skr 93/98 - £81Ф
Hawker Stdelely Group PLC5%% Cum
Pri £1 - 55 (6Not9)
7% Det Skr 87/92 - £85% 6%
(6Not9)

7 % Deb Six 87/92 - 285% 6% (8No69)
8 % Deb Six 87/92 - 288%
Hewitt, I.J. & Son(Fenton) PLC 10% Curn Pri £1 - 98
Hillsdown Hidge PLCADR(4:1) - \$17 %
Honde Motor Co LdSins of Com Six Y50 - Y1830 55
House of Fraser PLC8% Uns Ln Six 93/96 - 280 (3No69)
Howard & Wyndham PLC 18% Curn Pri Six 76/91 - 190
Hoylet(Joseph) & Son Ld5% Curn Pri Six £1 - 40
Leeland Frozen Foods Hidgs PLCCon Curn Red Pri 20p - 88 9 % 90
Hingworth Morres (Saltaire) Ld 7%
Non-Curn Pri Sip - 30 (8No69)
Ingal Industries PLC6% Uns Ln Six 88/91 - 250 (3No69)
Jessupa PLC7.3p (Neg Crn Curn Red Pri 50p - 73 % 4
Johnson & Firth Brown PLC 11.05% Curn Pri £1 - 115/9
11% Uns Ln Six 30/98 - £90% (7No69)
Johnson Group Gloaners PLC7.5p (No69)
Johnson Group Gloaners PLC7.5p (Ned Corn Curn Ber Pri Ln - 135 (Blos66)

Johnson Group Cleaners P.C7.5p (Net) Cav Cum Red Pri 10p - 135 (8No89) Johnson,Matthey PLC8% Gav Cum Pri £1 Johnson, Meithey PLC Phy Griv Cum Pri £1 - 650
Kayser Bondor Ld Phy Red Cum Pri Stk £1 - 59
Keppel Corporation Ld Ord \$81 - \$81.442025 5.45 4792
Kymmene Corporation Shy FM20
(Unreaticad) - FM994, 100 (8No89)
Ladbrüke Group PLC 84, Grid Uns Ln Sik 90/92 - £87 (8No89)
Lamont Hidgs PLC 10\*4 3rd Cum Pri £1 - 95 (8No89)
Lamont PLC 5k% Gum 2nd Pri Stk £1 -

Laporte PLC51/1% Cum 2nd Prf Stk £1 - 52 (6No89)

8% Deb S8: 93/98 - 283 (3/ko89) Lecture Investments PLC7% Cum Criv Red Pri (30/98) £1 - 55 3 62% Lep Group PLC4V% Cum Pri £1 - 53 (7/ko89)

(7No89)
LewisJohn/Partnership PLC5% Cum Prf
Stk £1 - 47 (8No89)
7% Cum Pri Stk £1 - 849
Lsborty PLC6% Cum Prf £1 - 60 (3No89)
Lsborty PLC6%

\$62% Lloyd(F.H.) Hidgs PLC7%% Uns Ln Stk 81/91 – 120 (3No89) London International Group PLCADR (5:1) – \$17.8 (7No89) London Park Hotals PLC 10%% 1st Mtg Deb Stk 2000/05 - £95 (7No£9) Lonno PLC 9% 2nd Mig Deb Stk 87/92 -Dw(Wm) & Co PLC 6.75% Cum Cnv Red Pri £1 - 146 50 290 (7No99)

Pri £1 - 146 50 Lowe(Robert H.) & Co PLC 87.5% (Net) Crv Cum Red Pri 10p - 53 & MB Group PLC 7.25p Crv Cum Red Pri 15p = 93 3 % 4 4 % % % 5 5 % McCarthy & Stone PLC8.75% Cum Red Pri 2003 £1 = 80 % (3No89) 7% Criv Uns Ln Sik 99/04 - £59 60 Marks & Spancer PLC 10% Cum Pri £1 =

Mecca Lessure Group PLC7.25p (Net) Criv Cum Red Pri 20p - 88 8 % 9 % 90 Metal Closures Group PLC 6% Cum Pri 21 Mitaubishi Electric Corporation Shs of Com Six Y50 - V1031 40 Monsanto Co Com Six \$2 - \$113.073571 (7No89) \*089) ianto PLC 6 ja 9a Gad Lin Sak 92/97 -

571 (SNo89)

Mourt Charlotte Investments PLC 10%%
1st Mig Deb Stk 2014 – 253% 4
New10%%1stMgDbSk2014(FprRAL -22/
-253% (7No89)
NSM PLC 8 50 (Nest) Crw Curn Rad Prf 10p
- 128 (7No89)
National Medical Enterprises Inc Sts of
Com Stk 50.05 – \$37% (SNo89)
Normans Group PLC 8 % Crw Uns Ln Stk 19904 - 187 (7NoBS) 19904 - 187 (7NoBS) Iorsk Data AS Class "B" (Non Vig) NK20 -NK384 (8No89) Northern Engineering Industries PLC3% Curn Red Prf £1 ~ 57 PFG Hodgson Kenyon Intl PLC6.75% Cnv

Pri £1 - 57
PFG Hodgson Kenyon Intl PLC8.76% Crw
Pri 91:2001 10p - 72 (8No89)
Palma Group PLC3.5% Cum Pri £1 - 45
(7No89)
Parkfield Group PLC Cum Red Pri 2010/13
£1 - 38 (8No89)
Paterson Zochonis PLC10% Cum Pri £1 99 (8No89)
Pawion Leisure Hidgs PLC Ord 10p - 90 3
8 rson PLC8.625% Uns Ln Sik 88/93 -

E86 (3No59)
Portals Hidgs PLC 95% Chy Uns Ln Stk
94/2000 - £170 70 (3No89)
Portar Chadburn PLC 8% Chy Cum Red
Pri 1993 £1 - 135Ф
Powel Duffryn PLC 4% Cum Pri 50p -22
Queens Moat Houses PLC12% 1st Mtg
Deb Str 2013 – £1011 % (34088)
R.E.A.Hidgs PLC Warrants to sub for Ord
– 33 (74089)
RPH L44% & Uns Ln 50, 200409 – £30 RPH Ld4% Lins Ln Six 2004/09 - £30 9% Uns Ln Six 99/2004 - £75 Racal-Chubb Ld8% Uns Ln Six 92/95 -

283
Racal Electronics PLCADR (2:1) - \$7.27
.35 A3 A6 A7 %
Racal Telecom PLCADR(10:1) - \$54% 5%
% .88
Rank Organisation PLCADR(1:1) - \$12%
(3No.88) (3No89)
Renice Hotel McDougali PLC8%% Uns Ln
Six 90/94 - 285 (8No89)
8%% Uns Ln Six 91/95 - 280 8 (8No89)
Rethers Group PLC6.73p Cnv Cum
Non-Vig Red Pri 20p - 103
Readicut International PLC8%% Uns Ln

Non-Vig Heb Fri and Non-Vig Heb Fri and Str 83/93 - 205 (8No89)
Read International PLC 8% Cum Red Pri 21 - 43 (3No89)
5% Cum Red Pri 21 - 53 (3No89)
5% Cum Red Pri 21 - 53 (3No89)
Fend PLC 8% 1st Deb Str 91/96 - 182/40
Resort Hotels PLC New Ord 10p - 17 %
Rockware Group PLC 7.25% Cnv Cum Red 2nd Pri 21 - 78
Rockware PLC ADS - 50.17 (6No89)
Rohr Industries Inc Sits of Com Str 51 - \$22 (6No89) \$22 (6No89) Rotork PLC94% Curt Prf £1 = 93 100 (3No89) Rugby Group PLC6% Uns Ln Sik 93/98 ~ £70%

\$70% \$D-Scoon PLC 6.5% One Cum Red Prf £1 - 117 8 (7No85) Warrants to sub for Ord - 8 Sagush & Seatch Co PLC ADR (2:1) - \$16 6% Cnv Una Ln Stk 2016 - 577 80 (7No89) pinsbury(J) PLC ADR (1:1) - \$4.09 (6No86) 8% Irrd Uns Ln Str. - 274 (7No89) iaveson (Christian) PLC5.6% Cum Prf E1 - 75% (3No89) - 75% (3No89)
Sanderson Murray&Bider(Hidgs) PLC Ord
50p - 155 (8No89)
Scantronic Hidgs PLC7.25p (Not) Criv
Cam Red Pri 20p - 117 (6No89)
Scapa Group PLC8% Uns Lin Six 68/93 - 256% 4
Scott & Robertson PLC9.25% Curn Red
Pri 51 - 90© 1©
Sears PLC7% "A" Curn Pri 51 - 78

Sears PLC7% "A" Curn Pri £1 - 70 (7Nc89) 12½% Curn Pri £1 - 108 (7Nc89) 6½% Curn Pri £1 - 2108 (7Nc89) 6½% Curn Pri Pri £1 - £108 (7Nc89) 8 otnor Engineering Group PLC62% Uns Ln Sik \$1986 - 229 (6Nc89) Sidaw Group PLC7½% Uns Ln Sik 2003/08 - £50 (3Nc89) 8 mon Engineering PLC6.35% Curn Red Pri \$1986 £1 - 8049 Sinosebrid PLC6.35% Curn Red

Singsby(H.C.)PLCOrd 25p - 465 (7No88) Smith (W.H.) Group PLC'B' Ord 10p - 63 (8No89) (8No89) imithikine Beecham PLCADR (5:1) -\$43.03.05 imithikine Beecham PLC/Smithikine ADR Smithkline Beachern PLC/Smithkline ADR (1:1) - \$38.28 % % Smiths Industries PLC11 K% Dab Stk 95/2000 - 25 PLC11 K% Dab Stk 95/2000 - 25 PLC11 K% Dab Stk 95/2000 - 25 PLC16 PLC Curr Units (Without sub Ris) Ir20.02 - 81.06 94% Cm Uns In Nrs - \$170 (8No89) Spear, J.W.) & Sons PLC Ord 25p - 237 (8No89)

Spear(J.W.) & Sorra PLOCALING (BNo89)
Staveley industries PLC74/% Uns Ln
Stude6991 - 296 (3No89)
Storek0991 - 195 (3No89)
Storek0999 Higgs PLC 105/% Cum Prf \$1 88 (8No89)
Storek09997999 Bergslags ABB Free
Sns SK25 - SK313
Storek0use PLC9% Cre Uns Ln Str 1992 - 12/5 Sutcliffe, Speakment PLC Warrants to sub Subcliffe, Speakman PLV Presidents of Cr Crd - 820 91% Red Curn Prt 21 - 98% (8No89) Symonde Engineering PLC Crd Sp - 36 (6No89) T & N PLC 10.1% Mtg Deb Sik 90/95 -

E90 11 4% Mag Deb Sik 95/2000 - £96% 101 (8No89) Tarmac PLC84% Uns Ln Sik 90/95 -52% (SNo89)

Tato & Lyle PLC8% Cum Pri Stk £1 ~ 65 (7No89)

7% Deb Stk 88/94 ~ 284% 7%

7% Une Ln Stk 85/90 ~ 290 (8No89)

10% Une Ln Stk 2003/08 ~ 292%

(6No89) Tellos Hage PLCWarrants to sub for Ord - 150
9% Cum Pri £1 - 90 (7No89)
Tesco PLC 4% Une Deep Disc Lin Sik 2006
- 145% - 725 - 775 %
THORN ENI PLC Warrants to sub for Ord
- 240
- 240
- 250

- 240@
Tilling/Thomas) PLC5.25% Cum Pri £1 - 71 (8No89)
6% Deb Sik 85/90 - £95
8½% Ums Ln Sik 89/94 - £86½ 7
Tiphook PLC Units of 420p of CULS
1990(Pit) Pol(Reg) - 103
Toolal Group PLC5% Cum Pri £1 - 53
43/2 Pern Deb Sic - £43 (88490) Toolal Group PLC 27. Cum Pri E1 - 53
4 % Perp Deb Six - £43 (8No89)
7 % Uns Ln Six 8994 - £83 5%
Towles PLC Ord 10p - 2004
"A" Non V.Ord 10p - 90 (8No89)
Tratagar House PLC 7% Uns Deb Six £1
- 55 (3No89)
9 % Uns Ln Six 2000/05 - £84
(7No89)
10 % Uns Ln Six 2001/06 - £91
(7No89)

(7No99) Development Group PLC8%% Uns Ln Sitt 93/98 - E30 (3No89) - 9% Uns Ln Sitt 95/2000 - E38% Trusthouse Forte PLCWarrants to sub for Ord - 90 (8No89) 10.5% Mtg Dob Sit 91/96 - E36% (7No89) 10.5% Mitg Dob Sok 91/96 - 296% (7No89)
9 1% Uns Ln Sok 95/2000 - 287% (7No89)
9 1% Uns Ln Sok 95/2000 - 287% (7No89)
5% Uns Ln Sok 91/96 - 270% 6% Uns Ln Sok 91/96 - 270 Unigroup PLC7%% Cum Cnv Red Pri 21 - 86%
Unitever PLC ADR (4-1) - 289.977657%
5% Uns Ln Sok 91/2006 - 260 (8No89)

5 % Uns Ln Six 91/2006 - 250
(8No89)
8% Uns Ln Six 91/2006 - 270 5% 6 7
Union international Co PLC6% Curn Pri
Six £1 - 60 (7No89)
7% Curn Pri Six £1 - 63 (7No89)
Unitys Corp Corn Six \$5 - \$15.0428
(SNo89)
United Biscuits(Hidgs) PLC6% Deb Six 93/96 - 261 % 3% (8No89)
United Biscuits(Hidgs) PLC6% Deb Six 93/96 - 261 % 3% (8No89)
United Securits(Hidgs) PLC6% Cur Curn Non-Vig Red Pri £1 - 66 (8No89)
Upto A \$0 southern Holdings PLC0 of 25p - 42 (6No89)
Vardy (Reg) PLC0 of 10p - 82 5 (8No89)
Vickers PLC5% Curn(Tax Free To 30p)Pri Six £1 - 68
Wagon Industrial Hidgs PLC 7 25p (Net)

Crrv Ptg Prf 10p - 95 later(J.O.) & Co PLC Ord 25p - 450 ((8No99) Walker(Thomas) PLC Ord Sp. - 95 Warner-Lambert Co Coth Silk \$1 - 27(1.08 (3No99) (\$No89) \*atmoughe(\*\*dags) PLC8% % Curn Red Pri 2006 £1 - 90 (8No89) Warrants to sub for Ord - 52 4 6 7%; 75% Cnv Curn Pri £1 - 157 (8No89) whitecost PLC4.1% Curn Pri £1 - 55

(7No89) Woney PLC7% Cum Pri£1 = 8540 8.76% Cnv Cum Red 2nd Pri2000 £1 • 80 Xerox Corp Com Set \$1 - \$58 % \$7 7 Youghal Carpets(Hidgs) Ld8% Cum Pri Ir£1 - I£0.16 (7No89)

Financial Trusts, Land. etc. Albien Hurne International PLC7% (Net)
Criv Cum Red Prt 21 - 102% (Net089)
Armour Trust PLC10% Uns Lin Six 91/96
- 238 (7No89)
Britannia Arrow Hödgs PLCWts To
Subscribe for Ord - 30 (8No89)
British & Commonwealth Hödgs PLC10%
Uns Lin Six 2012 - 288% 8% (8No89)
Dally Mail & General Trust PLCOrd 500 - 252 (7No89) 

(6No63)
F & C Enterprise Trust PLCSer B
Warrants to Sub for Ord - 7% (6No83)
Warrants to Sub for Ord - 12 (6No83)
First Debenture Finance PLC11.125%
Severally Gid Deb Sk: 2018 - £98% % Foreign & Col Reserve Asset Fund Ld PtgRedPrl \$0.05 Cl C(US\$ Bonds) -

Covet International Managed Fd Ld Ptg
Red Prf 1p – 99.6 (3No89)
Greece Fund Ld Shs 50.01 (Feg) – \$1425
(7No89)
Shs 50.01 (IDRs to 8n) – \$1425 (7No89)
Guanness Flight Global Strategy Fd Ptg
Red Prf 50.01(Managed Currency Fund)
– \$13.384

- \$33.960
Pig Red Pri \$0.01 (Global Equity Fund) - \$69.240
Hill Samuel Inter Currency Fund Pig Red Pri \$0.01 - \$24.93 (814089)
Hill Samuel Sterling Fixed Int Fd Pig Red Pri \$0.114.2 (71408)
Bit Global Funds Ld Pig Red Pri \$0.01 (Managed Sha) - \$18.850
Inchape PLC6% Uns Ln Stk 67/90 - \$97 (314689)

(3Nó89) 12%% Una La Sik 93/98 – £101% 12%% Uns Lin Sth 93/98 – 2101 % (8)A089)
International City Hidge PLC8%% Crav
Curn Red Pri 21 – 68
Inst Succk Exchange of UK&Rep of IrLd
71%% Mtg Deb Ski 90/95 – 281 (6)A089)
Ivory & Sime Atlas Fund Sins of NPVi,lepen
Portfolio) – 110.1 (7No89)
Korey-Excrape Fund Ld Sha(IDR to Br)
\$0.10 (Cpn 3) – 529000
LIT Holdings PLC9-47% Curn Red Pri 21
– 80 (3)A089)
MM Britannis Jersey Gilt Fund Ld Pig Red - 80 (34089)
MMM Britannia Jersey Gilt Fund Ld Pig Fied
Pri 1p - 10.811‡ (84089)
Manile Fund (Ceyman) Ld Pig Fied Pri
\$0.01 - \$10%
Mercury Offshore Sterling TrustShe of
NPV(Overseas Fund) - 127.7

\$12% 12% White to sub for Shis = \$7% Smith New Court PLC 12% Subord Unit Unit Ski 2001 = 288 (SNo88) Strata Investments PLC Warrants to sub for Ord = \$3 (SNo89) TR Worthwide Stratagy Fund Sicav Shis NPV (UK Spacial Opportunities Fund) = \$5.97 (SNo89) That Investment Fund I dilbin Each California Investment Fund I dilbin Ea ent Fund LdPtg Red Pfd 71mi Investmen \$0.01 - \$11 Thai Prime Fund LdPtg Red Pri \$0.01 -\$15.77 15.83 18.89693 Thailand International Fund LdPtg She \$0.01 (IDR's to Br) - \$78.9 Thomson Chre Investments PLC Ora sup - 125 (BNo85) Thomson Pacific Investment Fund SA21 -

211.6 (GNo69) 3 PLC7X% "A" Deb 8tk 89/92 - 285% (7No89)
71 % "A" Deb Stk 91/94 — 281 (8No89)
9% "A" Deb Stk 91/94 — 280% (7No89)
11 % Uns Ln Sik 1990 — 299 (3No69)
Value & Income Trust PLC Warrunts 89/9
to sub for Ord — 13/9

insurance No. of bargains included 598 Alexander & Alexander Services IncSts of Class C Com Six S1 - IZD½ (SNo89) General Acc Fire&Life Assc Corp PLC 7½% Uns Ln Six 97/92 - 282% (SNo89) 7½% Uns Ln Six 92/97 - 282% (SNo89) Guardian RoyalExchenge AssurancePLC 7% Cum Red Prf 27 - 79 (SNo69) 7% Uns Ln Six 96/91 - 297% 8

**Investment Trusts** No. of bergains included 641
Abtrust New Dawn Inv Trust PLCOrd 25p - 125 8 - 125 8 Warrants to sub for Ord - 92 Sans B Warrants to sub for Ord - 62 5

(6No89) ance Trust PLC4% Pri Stk (Cum) - £43 Alliance Trust PLC4% Pri Srk (Curn) – £43 (Triko89) 41% Pri Srk (Curn) – £44 (Triko89) 41% Pri Srk (Curn) – £44 (Triko89) 84% Pri Srk - £34 (Triko89) 84% Pri Srk - £34 (Triko89) 84% Gifford Jahan Trust PLCWarrants to sub for Ord – £67 (Triko89) 84% Gifford Srikn hippon PLC Warrants to sub for Ord – £67 (Triko89) 87% Fri Srk (Curn) – £55 (Triko89) 87% Fri Srk (Curn) – £55 (Triko89) 87% Fri Srk (Curn) – £55 (Triko89) 87% British British Brigger & £68 (Seneral Trust 10%% Secured Oeb Srk 2012 – 259% C.S.C. Investment Trust PLC Ord 25p – £56 (6069) C.S.C. Investment Trust PLCOrd 25p – 258 (6No89)
Capital Gearing Trust PLCOrd 25p – 475 80 (8No89)
City of Oxford Investment Trust PLCOrd inc 5p – 50
Dance Investment Trust PLCOrd in

Danae no street Trust PLCWts to Subscribe for 1 inc & 1 Cap - 51 Drayton Asia Trust PLCOrd 10p - 98 8 Trust Warrents to sub for Ord - 53 51/2 EFM Dragon Trust PLCWarrants to sub-for Ord - 6% % 7 Erw tragger intex PLC variants in sup for Ord - 6% % 7 Edinburgh Investment Trust PLC5%% Deb Sk 1996 - 271% (8No89) 11%% Deb Sik 2014 - 2101% English & International Trust PLC9.875% Cum P1 C1 - 97% (8No89) F.A. C. Practic Investment Trust PLC Warrants to sub for Ord - 140.2 F.A. C. Smaller Companies PLC6% Cura P1 Sik - 254 (8No89) Fifth Throgmorton Co PLC7.25% Criv Una Ln Sik 2003 - 292.4% First Spanish Inv Trust PLCWarrants to sub for Ord - 53 Feming Far Eastern Inv Trust PLC5%

First Spanish Inv Trust PLCWarrants to sub tor Ord – 53 Feming Fer Eastern Inv Trust PLC5% Carm Pri £1 – 54% (84088) Gartmore American Socurities PLC Zero Dividend Pri 25p – 49% Gartmore Value Investments PLC Zero Dividend Pri 10p – 52 German Smaller Co's Inv Trust PLC Warrants to sub for Ord – 156/9 Glaegow (noome Trust PLC Warrants to sub for Ord – 5 6% Globe Investment Trust PLC 10% Deb Sik 2016 – 291 % Govent Strategic Inv Trust PLC 95% Deb Sik 2017 – 288 (10% Deb Sik 2017 – 288 (10% Deb Sik 2017 – 298 (3No89) 1 & S Optimum Income Trust PLCOrd 10p – 99 (8No89) Ord 10p/Ep/AL-8/12/89) – 97.499 89 Investors Capital Trust PLC5% Cum Pri 55 (7No89) Lazard Select Investment Trust Lid Pig Red Pri 0 1p U.K. Active Funt – £10.03 (8No89) Leveraged Opportunity Trust PLC Zer Con Cnv Lins Lin Sik 96/99 – 281 (7No89) Leveraged Opportunity Trust PLC Zer Con Cnv Lins Lin Sik 96/99 – 281 (7No89) Metropolikan Trust PLC 4% Cum Pri £1 – 40 Minerals Ofis§5/96s Six Fund Ine \$0.10 –

- 40
Minerals Offs&Res She Fund Inc\$0.10 \$14.38 (2No89)
Monks Investment Trust PLC 11% Deb Sik:
2012 - 597 % 
Murray International Trust PLC3.9% Cum
Pri 21 - 61
Mon (Suprement Securities Trust I 4 Opt 250)

Murray Internancial Trust PLC-3.9% Cum
Pri E1 - 61
New Guernsey Securities Trust L6Ord 25p
- 75 7 (8No89)
New Throgmorton Trust(1983) PLC Zaro
Cpn Deb Skt 1996 - E36 (7No89)
Pacific Horizon Invest Trust PLC Ord 10p
- 450 % 660 60 70 80
Warrants to sub for Ord - 22 3
Pantida Group PLC Warrants to sub for
Ord - 1
Rights and Issues Inv Trust PLC 7%%
Cum Pri St - 70 (3No89)
Scottish Eastern Inv Trust PLC 4%% Cum
Pri Stk - E50 (7No89)
94% Deb Sit 2020 - 267 %
6%-14% Stepped Interest Deb Sit 2020

8%-14% Shapped Interest Deb Stk 2020 - £118% (8No99)

Scotlish National Trust PLC10% Deb Sik 2011 - 299% Becond Aliance Trust PLC4%% Cum Pri Sik - 255 (SNo88) Sidnes Investment PLCWarrants to sub for

Srines investment PLCWarrants to sub for Ord - 40 (8No89)
TR City of London Trust PLC6%
Non-Cum 2nd Pri Six £1 - 65 (8No89)
10% Deb Six 2020 - 288 (8No89)
11% Deb Six 2014 - £99% (8No89)
Throgenorion Trust PLC12 (#16% Deb Six 2010 - 2104 5 (7No89)
Throgenorion Trust PLC12 (#16% Deb Six 2010 - 2104 5 (7No89)
Throgenorion USM Trust PLC5% Cum Pri £1 - 98
Tor Investment Trust PLC6% Cum Pri £1 - 64 (8No89)
Vantage Securities PLC Warrants to sub for Ord - 73 (8No89)
Whan Investment Ch PLC6% Deb Six 98/99 - 280 (8No89)

Unit Trusts No. of bargains included 28 M.& G. American Smaller Co's Fund Accum Units - 65.6 M.& G. European Dividend Funding Units

Accum Units - 48.3 (8No89) M.& G.Gold & General Funding Units -55.8**9** Accum Units ~ 62.8 M.S. S. International Income Functine Units. — 69.4 73.4 Mines - Miscellaneous

No. of bargeins included 210 Amaignmated Financiel inve PLCWarrents to sub for Sits - 4 (7No89)
Anglo United PLCCriv Red Pri 10p - 92 (8No89)
Assarco IncCom Sit NPV - \$314
Bisto's Maring PLC 10p - 42 (8No89)
De Seers Consolidated Mines LdDid R0.95 (8D) (Cpn 84) - \$14.45 14.55 SF23.63

Europa Minerals Group PLCOrd 2p - 73 Parings Mining & Exploration Co PLCSp -489 48th
RTZ Corporation PLC3.325% "A" Cum Pyf
\$1 - 43 (3No89)
Waverley Minary Finance PLCWerrants to
sub for Ord - 26 (7No89)
Zamble Consolidated Copper Mines Ld"8"
Ord K10 - 120 (8No89)

Mines - South African Barnato Exploration LdOrd R0.01 - 58 8 (8No89) (GRODE) Coronation Syndicate Ld R0.25 - 22 (SNo89) Labowa Pletinum Mines Ld Ord P0.01 m Reefs Gold Mining Co LdOrd

R0.01 - 38 8 (8No88) sw Central Witwaterstand Areas Ld R0.50 - 26.65 (8No89) yx Gold Holdings Ld Ord Shs of NPV -148 (8No89) Oryx Gold Holdings LdOrd Sins of NPV -140 (8No89) Trans-Natal Coal Corp LdR0.50 - 115 (8No89) Oil No. of bargains included 1329 tiantis Resources LdCom Shs of MPV — \$C0.7125 (7Notis) ritish Petroleum Co PLC9% Cum 2nd Pri

Milish Petroleum Co PLC9% Cum 2nd Pri £1 – 88% (8No69) Jumah Oil PLC7%% Cum Red Pri Stk £1 - 70 5% Cum Prf Sik 21 - 74 LASMO PLC 10%% Deb Sik 2009 - 290% % (7No89) Shell Transport&TradingCo PLCOrd Shs (81) 25p(Cpn 183) - 420® Weeks Patrolsum LdOrd (Aust Reg) \$0.10 - 23 \$48.48 (8No89)

Property No. of bergains included 570 Allied London Properties PLC 10 % 1st Mag Dab Sit 2025 - 291 (7No89)
Allied London Properties PLC 10 % 1st Mag Dab Sit 2025 - 291 (7No89)
Allied London Properties PLC 7% 1st Mag Dab Sit 6095 - 280 (8No89)
Arlington Securities PLC 9% Curn Red Pri 2008 £1 - 105% (7No89)
Bradford Property Trust PLC 10%% Curn Pri £1 - 105 (7No89)
Bradford Property Trust PLC 10%% Curn Pri £1 - 105 (7No89)
Bradford Estate PLC 9.50% 1st Mitg Deb Sit 2026 - 282 (8No89)
11.75% 1st Mitg Deb Sit 2018 - £100% (5No89)

11.75% 1st Attg Lieb set Aura — 21.000 (30.009)
Capital & Counties PLC New 9%% 1st Mig Deb Six 2027 - 257% 9%% Unit Lie Six 500 - 22% (80.009)
Charlwood Affisics PLC (17%% Unit Lie Six 500 - 32% (80.009)
City Site Estates PLC New 257% (70.009)
Clayform Holdings PLC11% 1st Mig Deb Six 2016 - 255% (70.009)
Colment[-Alectimesentents Lief% Unit Lie Six 91/98 - 275
Darse Estates PLC7.75% Cnv Cutte Red Pri 21 - 86 9 9 Pri 21 - 86 9 9 English Property Corp PLC9%% 1st Mag Deb Six 97/2002 - £89% Estates Property Investment Co PLC7%% Une Ln Skt 8982 - 288 (8No89) Green Property Co PLC8% Red Criv Une Ln Skt 1985 lct1 - lct1,35 1,35¢ Greycoat PLC 12,85% Une Ln Skt 90/52 -236

296
Hernmerson Prop Inv&Dev Corp PLCOrd
25p - 741,1321 83 92
Land Securities PLCO% 1st Mitg Deb Six
88/93 - 2831/4
9% 1st Mitg Deb Six 98/2001 - 2851/4
6% 6%% Uns Ln Sik 92/97 - £76% (7/10/89) 8%% Uns Ln Sik 92/97 - £90 4% 5 London & Edinburgh Trust PLC6%% 1st Cum Red Pri 2013 £1 - 93% (6/10/89)

Cum Red Pri 2013 21 - 33% (6No89)
Lynton Property&Reversionery PLC 10%%
1st Mig Deb Sik 2017 - 238 (6No89)
MESTC PLC 95% 1st Mig Deb Sik 97/2002
- 239 (3No89)
10%% 1st Mig Deb Sik 2024 - 236%
12% 1st Mig Deb Sik 2017 - 2105
(3No89) (3No89) 8% Uns Ln Sik 2000/06 ~ 272 (7No89) 10%% Uns Ln Sik 2032 ~ 282) 6%% Cnv Uns Ln Sik 95/2000 ~ 2136 (7No83)
Morfin International Properties Ld Curn
Red Crav Pri St - 48
P & O Property Hotisings Ld8% Uns Ln
Skt 97/98 - 274©
Peachey Property Corp PLC9.5% 1st Mitg
Deb Sit 2015 - 282% (7No89)
Peal Hidge PLC 10% Curn Pri Sop - 48
(8No89)

(SNoSŠ) 5.25% (Net) Criv Cum Non-Vig Pri 21 -85 (8No89) 9%% 1st Mag Deb Sak 2011 - £85% 39 Peal South East Ld8%% Une Ln 5tk 87/97 = 984
Property Security Inv Trust PLC9% Cum
Pri 21 - 90 (7No89)
Socials Metropolites Property PLC 1016%
1st Mbg Deb Sts 2016 - 287% (SNo89)
Topa Estates PLC1016% 1st Mbg Deb Sts
2011/16 - 287% (7No89)
Town Centre Securities PLC1016% 1st
Mbg Deb Sts 2021 - 288% (8No89)
9% Crv Une Ln Sts 98/2000 - £197♠

Plantations No. of barg Chillington Corporation PLC Warrants to sub for Ord - 52 (6No89) Consolidated Plantations Berhad \$M0.50 -63 (6No89) Dunlop Plantations Lid6% Cum Pri £1 - 55 (8No89)

Dunico Plantations Ld6% Cum Pri £1 - 1 (8No88) Malakoff Berhad \$M1 - \$M4.38 (8No89) Pedang Senang Hidge PLC 10p - 75 Singspore Para Rubber Estates PLCSk 5p - 48 (8No89) Railways No. of bargains included 1 Calgary & Edmonton Relivray Co4% Cons Deb Sth(Gtd by C.P.Ltd)2002 - 240 Onloss Stocked by CLP.Lingcutz - This (7Notes)
Ontario & Guebec Resilvery CD5% Perm Deb Stefint Gltd by CLP.) - 239
St Lawrence & Ottawa Resilvery CD4% Stig 1st Mits Bots (Cpn 225) - 250 (7Notes)
Toronto Grey & Bruce Resilvery CD4% 1st mits Bds (2863) (Cpn 212) - 235 5 (7Notes)

Shipping No. of bargains included 281 Bergesen d-y AS B Non Vtg Shs NK5 -NK351 2 4 5 % 6 7 7 81 1 2 2 3 7 NFC PLCVer Vig Ord 50 - 242 8 5 6 Peninsular & Oriental Seem Nev Co5% Cum Pid Six - 250 (SNo89) Warrants to purchase Did Six - 130

Utilities No. of bargains included: CESC LdEquity Ru10 - 354 404
California Energy Co Inc.She of Com Sik
SU.0675 - \$10.895 (7No89)
Mersey Docks & Harbour Co.5%% Red
Deb Sik 94497 - 270 (8No89)
6%% Red Deb Sik 96499 - 173%
(7No89)
3%% Ind Deb Sik - 120 (6No89)
US WEST, Inc.She of Com Sik of NPV \$89% (3No89)

Water Works No. of bargains included 1 Bristol Waterworks Co3.5%(Finly 5%)Cons Prf Stk - 5500 (3No69) Coine Valley Water Co3.5%(Finly 5%)Cnd Stk - 550 (7No89) East Angkan Water Co7%% Red Deb Stk 91/92 - 285 (7No89) East Surgey Water Co2.8%(Finly 4%)Pro-Prf Stk - 535 (8No89) 253 Surrey water CO.2.04-[mit) 4%[re-Pri Str - 125 (Bho)89) 7% Red Dett Str 90/92 - 261 % (7h089) Hartiepools Water Co.3.5%[Pmit) 5%[Max. Ord Str - 2557/\$ Mid-Southern Water Co.3.7% Perp Deb Str - 128 88 (7h089)

hitid-Sussex Water Co7% Red Prif Stir 88/90 - 2100 (MAG89) South Stationastere Waterworks Co 4 97-4/Fmb/ 7%/Red Prif Stir 88/90 - 234 (SNoSS)
Suston Distinct Water Co3,15%(Pody
4%%)Pri Str. - 21200 (BNoSS)
York Waterworks CoCons Ord Str. 4 9%(Finly 7% Max) - £1400 (7No89)

Miscellaneous Warrants No. of bargains inclu Benkers Trust International Lowts Rel to a U.K.Brew Basket of Shs = 20.36

USM Appendix

No. of bergains included 895 Air London International PLC New Ord Sp (Fp/LA-8/12/83) - 859 (Fpt.A-9/12/3) = 850 AmBrit Intermetorial Pt.C9% Chv Uns Lin Sti. 1996 - 282 4 (SNo59) BLP Group Pt.C8p (Net) Chv Cura Red Pri 10p - 73 (SNo89) Beckennem Group Pt.CWarranss to sub tor Ord - 30 9% Red Cum Non-Vig Pri 21 - 88 (3No89) ubuild Developments PLC Ord 50p ~ 95

Beubuild Developments PLC Ord 50p ~ 95
6 (7No89)
GIA Group PLC Ord 5p ~ 88 90 (8No89)
Caretridge Group PLC Ord RED.05 ~
190.74 1874
Cityvrson PLC 8-54 (Net) Criv Curn Red Pri
51 ~ 205
Continental Microwave (Hitgs) PLC 8.0%
Criv Curn Red Pri 2005 £1 ~ 92 (3No89)
Corton Beach PLC 7-5p (Net) Criv Curn
Red Pri 10p ~ 83
Darby Group PLC Ord 5p ~ 100 (8No89)
Devey Warren Hidgs PLC Var Rata Criv
Liot In Six 1995 ~ 2100 (7No89) ewey Warren Hicos PLCVar Rate ( Uns Ln Stk 1995 - £100 (7No89)

Essex Furniture PLC Ord 5p - 43 FBD Holdings PLC Ord hED.50 - 120.98 120.98 IE1 190.99 RT Fergebrook Group PLC 12% Cnv Uns Ln Stk 92/97 – 275 Globs Mew PLCOrd 25p – 296 (BNo89) Guidehouse Group PLC 8.5p (Met) Cnv Cum Red Pri 2006 50p – £1.8

Cush Red Pri 2006 50p - £0.8

Mathemat & Scottish Resources PLCOrd
10p - 145 (8No83)

Mathemat Holdings PLCOrd 1p - 20 % %;
% % 3 3;

New England Properties PLC 10% Cnw
Uns Lin Stk 1990 - 290 (3No89)

Ouarto Group IncSns of Com Sik 50,10
(Rest, Transfer) - 157 (8No89)

8.75p(Nord) CmcCumRedShs of Prid Sik
\$0.10 - 108 (8No89)

Regal Hond Group PLCOrd 2p - 163 8

Savage Group PLCS.5% (Net) Cum Red
Criv Pri £1 - 64 5 6

SalecTV PLCOrd 1p - 12 (8No89)

Criv Pri 21 - 64 5 6
Select V PLCOVO 1p - 12 (SNo89)
Sheldon Johnes PLCOVO 2p - 82 3
(SNo89)
Thorpac Group PLC8p Criv Red Ptg Pri
2001/05 50p - 88
Transrap Högs PLC Ord 10p - 63
Vistac Group PLCOvd 1p - 15% 6 7% 8
Vistac Group PLCOVd 10p - 98 102
Xra—Vision PLCOVd 10p - 98 102
X

The Third Market Appendix Automobiles of Distinction PLCOrd 5p -20% 1%

Poddington PLCOrd 5p - 72 2 3 3‡ ¾‡ 4 ※ 5 6‡ % 6‡ 6‡ %‡ Rule 535(2) No. of bargains included 33 African Gold PLCOrd 1p - £0.1125 0.12 Amalgamated Metal Corp PLC6% Curr. Pri Ameloamated Metal Corp Fuctor Communication (Note)

Ameloamated Holdings FLCOrd 200 - 20%

Ann Street Breweries Co LuOrd 21 - 25.85 (TNO8)

Arsenel Footbell Club LdOrd 21 - 23100 rn-Docers Hidgs PLCOrd 21 - 211%

(arkoss) erryituret PLC Ord 1p - 20.03 (3Me89) ersdale Computer Systems PLC Ord 1p - 20.015 0.0175 (7Me89)

Channel Islands Coms (TV) Ld Ord Sp = \$0.65 (6No89)

Vani SAD.195
Vultan Micrais SAD.351 (3/11)
Wellman Inc 534.124.35 254 (6/11)
Westralian Sands SA3.8
Wissor industrial Corp SHKB.2
Woottre Ord 550 (7/11)
Weessche AG DW2654.58 (6/11)
Zanex SAD.009

## PLASTIC CARDS

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For a full editorial synopsis and advertisement details, please contact:

> JONATHAN WALLIS on 01-873 3565

or write to him at:

Number One Southwark Bridge London SE1 9HL

**FINANCIAL TIMES** 

#### WORLD INDUSTRIAL REVIEW

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**BRIAN HERON** Regional Manager

For a full editorial synopsis and advertisement details,

please contact:

on 061 834 9381 (telex 666813) (fax 061 832 9248)

or write to him at: Financial Times Alexandra Buildings. Queen Street. Manchester M2 5HT

**FINANCIAL TIMES** 

1

127.4 49.18 (9/1/35) (3/1/75)

(5/9/69) (26/6/40)

83.20 105.4 50.53 (19/10) (28/11/47) (3/1/75)

164.7 734.7 43.5 (17/2) (16/2/83) (26/10/71)

#### LONDON STOCK EXCHANGE

# Market up 6% over trading account

London's equity market ended a week and an account in fine form with share prices posting good gains for the third out of five trading sessions. The FT-SE 100-share index closed 15 points up at 2,216.7, extending the rise over the week to 43.6 points and over the account to an impressive 134.6 or more than 6 per cent.

It was a creditable performance from a market which only two weeks ago was reeling in the aftermath of what was described as the "Grey Monday" mini-crash and the resignation of Nigel Lawson as Chancellor of the Exchequer. One equity market strategist added that the market had also

placed

tired performance of Wall Street overnight, Estimated to have been down some 5 points before the official opening, the **Stakis** said Unilever's share price had risen on a technical rebound after losing ground earlier in the week. "There was also stake

Mr Julian Hardwick of BZW said: "The results look pretty reassuring. For quite a while Unilever has been looked upon AN ERA in Britain's leisure industry came to an end yes-terday when Scottish & Newas an excellent defensive play. These figures confirm that view. Overall, they're making castle sold the 6.3 per cent stake in hotel group Stakis it has held since the latter went

some relief that the figures

were out of the way," one ana-

solid progress."
He said sterling's weakness had prompted him to revise up his full-year forecast to £1.72hn public in 1972. SG Warburg Securities confirmed it had placed a line of Stakis shares but would give from £1.70bn, previously forecast. Unilever rose 20 to 639p. Banks had another good day no details. Other sources confirmed that the entire stake of in the wake of the decision on almost 161/2m shares was Thursday by Lloyds and Nat-West to raise their provisions placed with around 25 institu-tions at 93p. Stakis closed unchanged at 99p while Scotfor third world debt. The move lifted a burden of uncertainty tish slipped a penny to 356p. Most analysts felt that the from the shares and, said analysts, allow them to put such debt problems behind them.

deal was good for the institu-tions. "Quite a few people would have liked to buy Stakis Those two scored modest gains yesterday, but Barclays, at 93p," said Ms Julie Feaver of County NatWest WoodMac. Mr up 20 at 517p, was the main beneficiary as dealers antici-pated a similar move there. Paul Slattery at Kleinwort Ben-Banks that had been left behind on Thursday put in a good performance. Abbey National, helped by a stock shortage, climbed 7% to 156%p, Standards Chartered firmed 8 to 498p while TSB son explained that the move was a "tidying up exercise" after the sale of Thistle Hotels to Mount Charlotte in September for £645m. One analyst, however, thought that Stakis was still

overrated, and another said

Scottish had picked a bad time

STC continued to react bull-

tium that is hoping to gain a

licence to develop a UK per-sonal communications net-

work, and of which STC is a

Indeed, the market was

strong enough to shrug aside a downgrading in next year's

profits by Hoare Govett, STC's broker. Hoare expects 1990

earnings of £281m, compared

with its previous forecast of Mr Miles Saltiel of Hoare

said deferral of orders from British Telecom would reduce

1990. STC closed up 51/4 at

third-quarter earnings. Profits

of £427m compared with £388m last year and analysts' fore-

Despite profits slightly below market expectations, analysts

Unilever figures Unilever were bolstered by news of a 10 per cent rise in

casts of around 2430

growth at STC's communica tion divisions, and had led him to lower his profit forecasts for

tive to the market.

STC firm

There was a flurry in Royal Bank Scotland as a press item to sell - Stakis shares were yesterday at a 12-month low relarevived old stories of the possibility of a bid from a French bank. But dealers and analysts But Ms Feaver highlighted Stakis' defensive qualities, saywere sceptical, and the shares fell back from a high of 180 to ing it had low gearing, management was strong and that end up 5 on the day at 178p. Merchant banks were quiet with the exception of Schrodthe company's geographical bias was to the North where ers, up 125 at 1550p. Mitsubishi is to take a 49 per cent, non-voting stake in the 50 per cent owned US subsidiary Werththere was more growth poten-tial than in the South.

ended 2¼ up at 116p.

Life and composite insurers scored steady advances across the board, helped by thoughts ishly to Thursday's news that the West German Bundespost had joined Unitel, the consor-

Account Days Nov 20 to contend with the latest news in the Blue Arrow affair. The market began yesterday in nervous fashion, with marketmakers lowering prices at

Account Dealing Dates

Nov 13

Nov 23

Dac 4

'First Danlinge: Oct 30

Option Declarat Nov 8

Last Dantings: Nov 10

shortages throughout the various sectors, thus exaggerating the outset following a rather

Dec 7

Dec 18

which announced a 15 per cent increase in the interim dividend and a 10 per cent rise in pre-tax profits. Dealers said institutions had ntured into the market yesterday, albeit in a smali way. and that the buying again uncovered widespread stock

showing a 3.4 decline. How-

ever, the market recovered in

the wake of pleasing third-

quarter figures from Unilever

gains in many stocks. Mid-morning saw the FT-SE attain the day's best level of 2,222.9, up 21.2, but thereafter interest and share price move-

of rising US premiums. Specu-

lations that Australian Mutual

Provident (AMP) might increase its 605p a share bid for Pearl pushed the latter to 644p before subsiding to 641p — still 4 better on the day.

Hoare Govett's positive note on the Prudential boosted the

shares to 209p before they closed at 207%p, up a net 1%.

trading in response to a profits downgrading from James

Capel, said marketmakers. The shares fell 10 in the last hour

of trade to close a net 9 down on the day at 189p. The com-pany reveals full year figures

Good press comment follow-ing Body Shop's figures on Thursday added impetus to the already rising price. Market-makers chased after increas-

ingly scarce shares and the

price eventually closed 50 bet-

The sale by Dixons of prop-

erties in London and Cardiff for £66m cash underpinned the

shares which closed a penny

better at 105p.

Microvitee, the microelectronics group, fell 6 to 26pfollowing a profits warning. The company said the downturn in sales had been more severe than anticipated. It added that trading conditions during the

trading conditions during the first half of 1990 were likely to

taken by the company to boost profits would be unlikely to

half of next year. News that Saudi Arabia had

approved the first stages of a film engineering project, failed to lift shares in Rolls-Royce,

British Aerospace or Dowty, three of the companies

market that companies involved in defence contracts

could be bit by uncertainity of

the consequences of events in East Germany, and the rest of

Eastern Europe. Mr Clive

There was also talk in the

how through until the second

nain difficult, and measures

on November 16.

ter at 488o.

Burton fell steeply in late

limited. A fire in the vicinity of Wall Street delayed the open-ing of the New York market and caused some nervous London investors to sell out early in the afternoon, but a subse-quent firm opening by the US market and small but keen buying for the new account after 3.30pm kept prices up.

ments were said to have been

Defence issues were among the market's casualties, as institutions focused on the likely impact on defence groups of reduced spending on weapons and defence as peace appeared to be breaking out along the Berlin Wall, and elsewhere. Vickers, British Aerospace and Rolls-Royce were

FT-A All-Share Index

14/2

**Equity Shares Traded** 

600 400 200

Sep Oct

Forestier-Walker, analyst at

Kitcat & Aitken said: "The

events in Rast Germany will lead to close scrutiny of the

major defence projects for the mid to late 1990s. Until the

threat is reassessed, it seems doubtful that further expan-sion will be endorsed by Euro-

pean governments for projects

such as the European Fighter Aircraft, Trigat (a weapons sys-

tem] and challenger This uncertainity can do little for sentiment for companies such

as Vickers, Rolls-Royce, BAe, and many of the smaller sub-

contractors." Rolls-Royce

shares closed a couple lower at 166p, BAe sank even further at

to 535p, down 14 on the day, while Dowty slipped 6 to 241p.
Lucas recovered after the previous days fall of 14, on fears that the Lucas Pension Fund's share holdings in the

company would be above the

limit proposed by new Govern-ment regulations due in 1991.

Mr Nick Ireland, analyst at Flemings Research said: "The Lucas Pension fund will not

have to sell shares in Lucas

because in two years time the

value of their holding in Lucas

will be less than 5 per cent of the value of the fund. It means.

The price Won't be depressed by shares coming onto the

market." The shares ended the

day 3 better at 577p. Similar reasons were behind

Trusthouse Forte's recover to

Nov

Tumover by volume (million)

1250 .

1200 3

1150

1100

1050

One senior dealer pointed out that although the market remained "squeezy, extremely cautious and highly sensitive to any slight shifts in sentiment in the options/futures markets," it seems "stubbornly to want to stay above 2.200" "And," he added "I'm sure that's the way the Government would want it ahead of the Chancellor's Autumn Statement next Wednesnday and the water flotation news expec-ted during the next fortnight."

Turnover in equities, which had shown a small but steady increase every day this week, totalled 481.4m shares yesterin the week. Tesco closed up 3 at 194p, while Sainsbury finished unchanged at 253p.
Albert Fisher rose 3 to 116p ahead of its presentations next week in Scotland, where dealers said the company will emphasise its fundamental strength. The larger-than-nor-

boosted its share price.
Unigate traded nervously ahead the release of its interim results on Tuesday. Analysts at Laing & Cruickshank expect profits to have risen to £45.5m. compared with £43.8m last year. Unigate closed 3 down at

mal recent turnover in Fisher also prompted some bid specu-

lation and dealers said this had

Coloroll, ended the day a en one of the worst perform-

ing looks worrying.
Profits downgradings and vague rumours of instability in on the shares."

Yale & Valor gained 14 to end the day at 290p after better than expected interim results Beazer nudged forward a trolled by Provident Mutual

had increased their stake in the company to 5.1 per cent. Redland drifted lower on profit-taking after its strong showing earlier in the week. Dealers also said the stock shortage appeared to have eased. It closed down 9 at 530p. Bellway rose 7 to 187p as a

Open 10 a.m. 11 a.m. 2198.3 2217.0 2222.6

penny better at 81p having ing stocks of the week. Mr Lawrence Rubin, analyst at Kitcat & Altken said: "It has suffered from a loss of credibility as interest rates have seen sales of its home furnishings products fall and its own gear-

the group's financing have seen this former high flier fall from grace. We believe that Coloroli has a good portfolio of eading home products and that it may be nearing a level when bid attention could focus

announced on Thursday. penny to 142p as the company was notified that funds conleft the shares 15 better at 788p. Rothmans fell another 30 to 608p in the wake of press comment on the sale of Philip Morris' 24.9 per cent stake in the company to Swiss-based Richemont, which already holds 43.8

bear squeeze developed. The

Wellcome continued to climb, up another 16 to 710p, helped by the prospect of finals figures on November 16, and support from analysts at BZW and Schroders.

per cent of Rothmans.

Pavilion Leisure completed the first phase of its planned commercial property disposals and raised more than £11m. The news pushed the shares to

102p, up 7. Lec Refrigeration put in a late run as the Italian domestic appliance maker Candy revealed it bad acquired a 9.4 per cent stake in the company. The shares jumped 35 to 320p.

15.51 15.11

15.08 14.07 13.88 13.42 12.51 11.08 10.74 9.84 9.77 9.13 5.86 1.12 2.39

**APPOINTMENTS** 

says that recent political concern which have caused the stock to underperform recently

are "overdone." BP rose 4 to 301p on 3m, while Shell added 6 at 424p on 6m, after the third quarter figures announced on Thursday Burmah lost 7 to 685p on prof-

it-taking.
It was also depressed by a vague story that the company

1782.6 2443.4 966.9 (3/1) (18/7/87) (23/7/84) Saste 100 Govt. Seca 15/10/28, Fixed Int. 1978, Ordinary 1/7/35, Gold minus 12/9/55, Basic 1000 FT-SE 100 31/12/83 & Nif 10.67 GILT EDGED ACTIVITY Gitt Edged Bargains 77.0 84.9 business & Oversess turnouer, Calculation of the FT indices of daily Equity Bargains and Equity Value and of the Ilvey-day gavarages of Equity Bargains and Equity Value, was dis-continued on July 31. Closiny values for July 28 available on request. 

© Corrected figure. London report and latest Shere indec. Tel. 0938 123001. The following is based on trading volume for most Alpha securities dealt through the SEAR system yesterday until 5 pm. Volume Classing Day's 000's Price chance

#### TRADING VOLUME IN MAJOR STOCKS

FINANCIAL TIMES STOCK INDICES

64,02

234.2

4,73 11.36 10.64

26,611 674.99

4.79 12,04 10,05

31,891 1486.99

32,956 632.4

Day's Low 1760.2

3 p.m. 4 p.m. 1774.0 1774.9

Day's Low 2198.3

3 p.m. 2218.1 4 p.m. 2221.2

84.08

93,61 83,55 83,31

1784.3 1774.2 1753.8 1747.0 1461.2

11.34 10.66

21,437 727.06

2 p.m. 1774.1

2 p.m. 2219.0

2216.7 2201.7 2203.8 2178.2 2169.6 1802.7

84.37

11.20 10.79

23,209 852.55

21,222 370.2

1 p.m. 1775.0

1 p.m. 2220.6

Day's High 1776.5

Day's High 2222.9

24,150

93.78 \$3.73

1773.0

11.24 10.76

29,325

Fixed Interest

Ordinary Share

FT-SE 188 Share

Ord. Div. Yield Earning Yid %(full) P/E Ratio(Net)(\$\delta\$)

SEAQ Bargains(5pm) Equity Turnover(2m)†

FT-SE. Hourly changes

Ordinary Store Index, Hourly d

Open 1750.2 10 a.m. 11 a.m. 1771.2 1776.4

High

89.29 (8/2)

99.59 (15/3)

2008.6

(5/9)

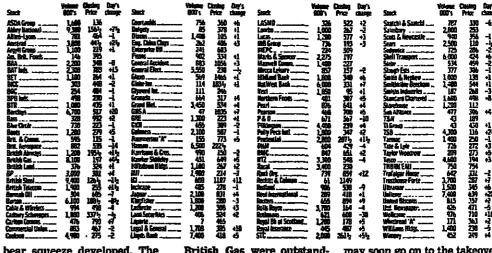
260.6

2428.0

Low 83.75 (14/6)

1447.B

(3/1)



British Gas were outstand-

ing in the energy sector, the shares moving up steadily all day to close a net 4½ higher at possibility that BAT Industries would buy-in some of its shares as part of a defence against the bid from Hoylake 197p on good volume of 8.1m

Gas is scheduled to announce interim results on Thursday, with Kleinwort Benson forecasting historic cost net income of £75m, against last time's £22m and an increased interim dividend of 3p net, up 9 per cent on last

year's interim of 2.75p. Kleinwort's energy team rates the stock "an obvious buy," expecting earnings and dividend growth "at least in line with the market," and

may soon go on to the takeover trail as a "poison pill" move against SHV increasing its holding and eventually bidding for, or trying to encourage, Burmah into merging with Calor. The latter were 4 off at 427p but dealers said there had been unusually large interest in Calor - 365,000 shares were traded yesterday - late in the

Ultramar put on 6 more to 345p, still buoyed by the re-rating of its Wilmington Refinery triggered by the proposed sale for around \$1bn of the Tosco refinery in San Francisco. Aviva maintained its good run after Thursday's re-listing, the shares adding a further 14 to

Exploration Company of Louisiana advanced 9 to 251p ahead of the presentations to Scottish institutions next week.

Other market statistics. including the FT-Actuaries Traded Options, Page 11

#### **NEW HIGHS AND LOWS FOR 1989**

MEW HIGHS (39).

AMERICANS (1) CPC Intel., CAMADIANS (1) Am Barrick Res., BREWERS (1) Eldridge Pope 'A', SULLDHES (1) Sm (J.), STORES (2) Body Stop, Euro. Ho Prods. ELECTRICALS (2) Philips Lp. Microfilm Reprographics, Microviteo. Microfilm Reprographics, Microviteo, 284(39):e2549; (9 Ash & Lacy, Booth Inds., 8WG Industries, Wood (3.W.) BEDUSTMALS (9) Affect Part, Cort. Station, Hughes (11), Sele Titory, MENURANCE (1) Legal & General, PAPERS (2) Goodhead Grp., KUSTS (9) Batita Hidg., London Amer. Vent., Pacific Asset Write, Templeton Em. Mids., UTC, ASSET Write, Templeton Em. Mids., UTC, OS.S. (1) Century, MidSS (7) Bivoor, Durban

Home Prode, ELECTRIVALE (1) Euro.
Into.Tech., ENGINEERING (1) Triplex Lloyd,
PO005 (2) Ashley Grp., Batleys,
NOUSTRIALS (3) Anner Grp., Holders Tech.,
Lynx Hidgs., MEDURANCE (3) Logal &
Caneral, Lloyd Thompson, PROPERTY (2)
Chygror 74 ac Co. Dr.

. Ecc., THIRD MARKET (4) Egi"to aat Res., Kromagraphic, Royal		QE.S. (1) Avive Pet., HENES (1) Colby Res.									
RISES AND FALLS  On Friday On the week Risea Falls Same Rises Falls Same 15 78 10 372 94 49 15 8 38 71 10 126 2 8 38 71 10 126 350 380 873 1,933 1,747 4,327 184 118 375 926 612 1,829 26 18 51 102 115 253											
		n Frid	ay	On the week							
	Riges	Fails	Same	Rises	Falls	Same					
:ade	15	78	10	372	94	49					
os. & Foreign Bonds	2	8	33	71	10	126					
8	350	380	873	1.933	1.747	4.327					
end Proces	184	118	375								
			51								
<b>18</b>		~~~									
		62									
		-		200	170	770					

# Sovereign Grp. NEW LOWS (32).

involved.

e.	Pag	illic Asse	nt Wirmte	n Curne Temple NEMES (1	ton Em. I	Min
AN	D	FA	us		•	
	0	n Frid			the we	
Rise	36	Fails	Same	Rises	Falls	Same
	15	78	10	372	94	49
	2	8	33	71	10	126
3	50	380	873	1.933	1.747	4.327
	34	118	375	926		
	==			400	335	-,

287p, up 7 on the day, turnover was a strong 3.7m shares. Kwik-Fit slipped 4 to close at 153p, the share have been supported by the possibility of a bid from Continental, the

West German tyre maker which owns 13.13 per cent of the company. An analyst said: "Continental is probably continental in the probably continental is probably continental." templating a merger with another tyre maker. If that merger goes through, it won't bid for Kwik-Fit." Tesco rose in active trading

with dealers noting some switching out of Sainsbury's since the latter's results earlier

#### **LEADERS AND LAGGARDS**

Percentage changes since December 30 1988 based on

ncles + 42.09	Food Manufacturing
ith & Household Products + 39.68	Leisure
ors + 38.82	Financial Group
urance(Life)+ 37.39	Transport
rchant Banks+ 32.59	Mechanical Engineering
estment Trusts + 29.71	Chemicals
d Retalling + 27.66	Capital Goods
glomerates + 27.47	Stores
wers and Distillers + 25.93	Building Materials
er Industrial Materials + 25.33	Publishing & Printing
ing Finance + 25.29	Textiles
Jrance(Composite) + 24.14	Overseas Traders
& Gas + 23.35	Electricals
er Groups , + 22.51	Electronics
sumer Group + 21,95	Telephone Networks
Share Index + 20.23	Metals & Metal Forming
ustrial Group+ 19.78	Packaging & Paper
Share Index + 19.67	Property,
rance(Brokers)+ 19.12	Contracting, Construction
Rendered Diguestal Street	CONTRACTOR STATEMENT IN

#### BENCHMARK GOVERNMENT BONDS Red Bring Change Vield and

	Coupos	Date	Price	Change	Yield	<b>890</b>	<b>ago</b>
3	13.500	9/92	104-24	-1/32	11.49	11,71	11,83
	9.750	1/98	95-10	-5/32	10.62	10.77	10.7¢
	9.000	10/08	94-00	-6/32	9.70	9.84	9.74
SURY .	8.000	8/90	100-07	-12/32	7.97	7.98	8.04
	8.125	_ <b>8</b> 419	102-22	+4/32	7.89	7,94	8.02
No 111	4.600	6/98	94.4396	-0.328	5.55	5.47	5.46
No 2	5.700	3/07	101.8665	-0.364	5.49	5.32	5.20
Y	6.750	6/99	96.3000	-0.600	7.29	7.20	7.05
BTAN	8.000	7/94	94.6095	-0.187	9,45	9.58	9.29
OAT	8.125	5/99	94.6300	-0.500	8.97	9.04	8.84
•	9.500	10/98	100.2500	-0.213	9.45	9.50	9.69
ANDS	7.250	7/99	97,0700	-0.410	7.69	7.65	7.48
JA .	12.000	7/98	92.5373	-0.148	13.39	13.50	13.69
	SURY * No 111 No 2 Y BTAN OAT *	S 13.500 9.750 9.000 8.125 No 111 4.600 No 2 5.700 BTAN 8.000 OAT 8.125 9.500 ANDS 7.250	S 13.500 8/92 9.750 1/98 9.700 10/08 8URY 8.000 8/98 8.125 8/19 No 111 4.600 6/98 No 2 5.700 3/07 Y 8.125 8/99 BTAN 8.000 7/94 8.125 5/99 9.500 10/98 ANDS 7.250 7/98	S 13.500 8/92 104-24 9.750 1/98 95-10 9.000 10/08 94-00 8/99 102-22 No 111 4.600 6/98 94.4398 Y 6.750 3/07 101.839 94.339 Y 6.750 6/99 96.3000 BTAN 8.000 7/94 94.6300 GAT 8.125 5/99 94.6300 9.500 10/98 100.2500 ANDS 7.250 7/99 97.0700	S 13.500 9/82 104-24 -1/32 9.750 1/98 95-10 -5/32 9.750 1/98 95-10 -5/32 9.750 1/98 95-10 -5/32 9.750 1/98 95-10 -5/32 9.750 10.00 10.00 94-00 -6/32 9.750 10.00 10.00 94-00 -12/32 9.750 94-30 10.00 9.750 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 94-30 95-30 94-30 95-30 95-30 94-30 95-30	\$\begin{array}{cccccccccccccccccccccccccccccccccccc	8 13.500 8/82 104-24 -1/32 11.49 11.71 9.750 1/98 95-10 -5/32 10.82 10.77 9.000 10/08 94-00 -6/32 9.70 9.84 10.000 10/08 94-00 -6/32 9.70 9.84 10.000 10/08 94-00 -6/32 9.70 9.84 100-07 -12/32 7.97 7.98 1.25 8/19 102-22 +4/32 7.89 7.94 102-22 +4/32 7.89 7.94 102-22 10.32 7.89 7.94 102-22 10.32 7.89 7.94 10.800 11.8688 -0.384 5.49 5.32 10.800 10.8688 -0.384 5.49 5.32 10.800 10.800 7.28 7.20 10.800 10.800 -0.500 7.29 7.20 10.800

Technical Data/ATLAS Price Source

#### COMMODITIES

#### WEEK IN THE MARKETS

Totaly

# Metals rally runs out of steam

A GENERAL fall yesterday chipped the king off what had been a pretty good week for the London Metal Exchange bulls. Until then all the metals except lead had been rallying from last week's lows, but at last night's close only copper, aluminium and cash nickel were still ahead of the game.
At the London Futures and Options Exchange (Fox) meanwhile, sugar prices continued to surge while cocoa and coffee futures, though still far from buoyant, managed modest gains. And at the London bullion exchange gold touched a seven-month high of \$388.50 a troy ounce before ending \$5 up on balance at \$385.25 an ounce. Copper had been the pace-maker on the LME. A fall on Monday, prompted by a 13,000tonne rise in exchange warehouse stocks, was quickly recouped as worries about Chilean supplies encouraged buying. And by Thursday's close the cash price was show-

bought, however, profit-taking yesterday trimmed the week's advance back to £20, in spite of talk of a 10,000-tonne LME stocks decline for this week. The Chilean concern is based on last weekend's news that miners at Chuquicamata, the

ing a £53 rise at £1,722 a tonne.

With traders deciding that the

market had become over-

country's largest copper mine, had voted to strike if the Pin-ochet Government passed a controversial law reorganising a the management of Codelco, the state-owned copper corpo-ration. The proposed law would limit the freedom of future civilian governments with regard to the organisation of the corporation. The management of Codelco, the world's biggest copper producer, would be decentralised, its operations would be limited to copper mining and the Government would be empowered

to privatise its service areas, including power generation.
With copper supplies already fairly tight the prospect of a stoppage by Codelco's 22,000 workers is making traders on the LME and at New York's Common think trainer about sell-Comex think twice about sell-

ing the metal short.
The LME's most consistent performer was aluminium, which advanced steadily until yesterday, when the cash price held its ground at \$1,802.50 a tonne, up \$75 on the week. A biggish fall in LME stocks last week helped to set the market on its upward course and expectations of a fall in the International Primary Aluminium Institute's non-communist world stocks figure fuelled the advance. Ironically, the publiexpected IPAI stocks fall yes-terday was widely taken as the signal for profit-taking and a price gain made early in the day was wiped out. Almost as consistent was the

lead market, which turned in a nap hand of falls taking the cash price down £28 to £437 a tonne. The metal's weakness was attributed to slower US demand, reflecting a fall in car sales. This could release supplies to ease the tightness of the European and Far Eastern markets, traders suggested. Tin started the week on a

buoyant note but ran into

resistance after gaining \$190 over the first two days. And with concern growing about the potential impact of sales of tin held as collateral by creditor bankers after the, supposedly imminent, out-of-court settlement of claims arising out the collapse of the International Tin Council the market lost ground quickly. By last night's close the cash price was down \$45 on the week at \$7,130 a tonne, the lowest level since the relaunching of the contract

at the begining of June.
In view of the recent strength of the sugar market, London trader E.D. & F. Man was obviously not sticking its neck out too far when it said, in its market report published cation of a slightly larger than on Monday, that the raw sugar

price could break through the 15 cents a lb barrier "at any time." But the observation was undeniably timely. The breakthrough came on Thursday in New York and yesterday on the London futures market.

Man said raw sugar fundamentals were now far more constructive than they had been at the begining of the 1988-89 season, with the drawdown from stocks already hav-ing reached 4.5m tonnes and another year of significant supply shortfall expected.

Specifically it pointed to large Soviet purchases, Brazil's export problems and an increase in demand from toll refiners, which had left the market with an "inadequate supply." And it expected that China and the Soviet Union would again be big buyers in the coming season.

Brazil announced this week that it had extricated itself from its export problem through a complicated agree-ment with traders involving the handing over of its remaining US quota entitlement and delivering extra white sugar (partially covering a heavy shortfall on demerara contracts). But its total shipments will still be 175,000 tonnes helow the contracted level. Richard Mooney

■ Mr Norman Deas has been appointed director and general manager of WHOLESALE CATERING EQUIPMENT UK, Leicester, part of Glynwed International. He was with Compass Services.

**Carlsberg** 

marketing

director

division.

joined the board of MANAGEMENT FIRST.



Mr David Ensor (above) has been appointed managing director of AIRCALL TELE-TEXT. He was marketing

#### **■ CHARTERHOUSE has** appointed Mr John High as group information systems director. He was a partner with Deloitte Haskins & Sells.

■ Following a re-organisation of NATIONWIDE ANGLIA BUILDING SOCIETY'S CARLSBERG BREWERY treasury team Mr Paul Barrett has appointed Mr Stephen Kay as UK marketing director. He has been appointed treasurer, risk management, and Mr was marketing director of Stuart Raven, treasurer, Whitbread's take-home operations. Both are at assistant general manager

Mr Tim Harrison has been level. appointed 3i local director, Guildford. He moves from ■ TIE RACK has appointed Mr R.A. Flax as retail director, Birmingham, and succeeds and Mr I.C. Barry as Mr Roger Pett, who has moved operations director.

> ■ Mr John Green has been appointed a director of THE PIRBIC GROUP. He was sales and marketing director, Abbay MicroSystems.

■ Mr John Munday has joined the OMNIA GROUP, and will be responsible for technical ■ Sir Anthony Jolliffe has and marketing activities in the south of England, and for the southern operations of manufacturing subsidiary Deecrete Floors. He was managing director,

> Mr Michael Brown, financial controller, has been promoted to finance director of GLENGATE HOLDINGS.

Katzenberger Group.

Mr Barry Langley has been appointed an associate director of YASUDA TRUST EUROPE. ■ CAMBRIDGE LIFE

SCIENCES, recently merged with Walker Laboratories, Ely, has appointed Mr Peter Blake as sales and marketing director.

\* TRITON EUROPE has appointed Mr Charles B. Crowell to the board. He is a senior vice president. Triton

#### T&N automotive products posts

■ From December 1 Mr Bill Everitt becomes managing director of T&N's automotive component businesses, and Mr Ian Much is made managing director, engineering and industrial activities. Mr David Carruthers will be made executive director, piston products and bearings, and Dr Amar Sabberwal, executive director, friction products and

automotive gaskets. **■ COMPASS HEALTHCARE** has appointed Mr Eugene Hayes as finance director. He was a commercial director with the Compass Group.

THE DECLAN KELLY GROUP has appointed Mr Robin Best as group financial controller - he was finance director of subsidiary Guildway; Mr Philip Edwards as financial controller of joint ventures - he was a manager with the John Brown Group; and Mr Bruce Rea-Palmer as

TUSKAR RESOURCES has appointed Mr Frank Traynor as group finance director from January 1. He is group managing director of

group treasurer.

Silvermines Group.

■ CITICORP SCRIMGEOUR. VICKERS has appointed Mr Daniel Jeffreys as a research director in the economics team from January 1. He was economics and business editor with BBC Television. Before joining the BBC in 1988, he was chief economist with Cazenove & Co.

■ Mr Malcolm Gill has been appointed group managing director of the MDIS GROUP. He was chief executive of International Thomson



Mr Ron Skuse (above) has been appointed managing director designate of RASHLEIGH PHIPPS ELECTRICAL, a Trafalgar House company. He was overseas marketing manager, Wessex Water.

■ Mr George Prescott has joined the board of ST ANDREW TRUST which is managed by Martin Currie. Mr Prescott is an assistant general manager of the Ecclesiastical Insurance Group, major shareholder in St Andrew Trust, and has been an alternate director for four years. Mr Eric McAuslan joins the board, representing the managers, following the retirement of Mr Robin Young. Mr McAuslan is a director of Martin Currie Investment Management.

Mr Alan Keat will be standing down as a ' non-executive director of BEAZER at the annual meeting on November 30. He is a partner with Travers Smith Braithwaite, Beazer's solicitors. From December 1 Mr Stephen Desmond Watkins becomes a non-executive director. He recently retired as a director of Shell International Petroleum Co.

18		FT UNIT	TRUST INF	ORMATION SER		FINANCIAL TIMES SATURI ent Unit Trust Prices are available of Unit Trust Code Booklet ring the FT	FT Cityline. To obtain your free
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# Blue Arrow 11 remanded on bail of £100,000 each

By Richard Waters and David Barchard

including bankers, stockbro-kers and a lawyer, facing criminal charges over the Blue Arrow affair made their first court appearance before Guild-hall magistrates in the City of

London yesterday.

After a hearing lasting several hours, they were each remanded on £100,000 bail until

January 12.
All 11 and their legal advisers, together with representa-tives of County NatWest, its parent NatWest Investment Bank and UBS Phillips & Drew, which are also charged,

packed the small Number Two court to hear the charges. They were accused of con-spiracy to defraud investors or potential investors in Blue Arrow, which had launched an unsuccessful rights issue in the autumn of 1987, by concealing a 19.39 per cent stake in the company. These shares had not

but were kept hidden by a series of actions which are outseries of actions which are outlined in the charge.

In addition, eight of the accused – Mr Charles Nigel Villiers, Mr Jonathan Cohen, Mr David Reed, Mr Nicholas Wells, Mr Christopher Stainforth, Mr Martin Gibbs, Mr Peul Smallwood and Mr Time.

Paul Smallwood, and Mr Timo-thy Brown – were charged with conspiring fraudulenty to induce people to take up shares in Blue Arrow by mak-ing "misleading, false or decep-tive" statements — a charge carrying a maximum penalty of seven years imprisonment.

The accused were ordered to surrender their passports to the police but they may be allowed to use them provided the purpose of trips is explained through their lawyers. Reporting restrictions were not lifted.

• After the hearing, Mr Jona-

from 39 hours a week and white-collar staff from 37%. The Engineering Employers'

Federation last night described

the draft agreement at NEI-

Parsons as a compromise. The

get of a 35-hour week and mitalled an agreement which is aimed at offsetting costs and maintaining output.

But the agreement goes further than the EEF's offer earlier this year of a national enabling agreement for a 37%.

enabling agreement for a 371/2-

bour week linked to local productivity improvements. The deal is expected to have wide-

spread ramifications at other major UK engineering and than Cohen, former chief executive of County, issued a statement denying the charges. Pointing to earlier investiga-tions into Blue Arrow, he said: "My actions and behaviour were exonerated completely, and no ground for criticism or fault was found."

In the City, meanwhile, shock at Thursday's arrests the latest developments were not altogether surprising. A compliance office at a foreign bank said: "I've heard a lot of people say "There but for the grace of God go we,' but I find that hard to believe."

There was a widespread feeling that the Blue Arrow affair has demanded the standing of the latest developments were

has damaged the standing of the City, both with the British public and the world at large. "I believe that the great majority of people in the City are honest," said another com-pliance officer. "Of course you



Charles Nigel Villiers leaves the court yesterday

always gets exceptions but there is a growing sub-profes-sion of compliance officers. The climate has changed." Several City houses voiced disquiet that the legal adviser to County NatWest had been included among those charged in the Blue Arrow Affair.
"It surprises me that they swept the solicitor up in the net. It could mean that no one will be willing to give advice in the more exposed areas or the advice will always be negative. That could ultimately mean the loss of an edge," said a compliance officer at another

# Breakthrough hope in engineering row

By Paul Betts, Jimmy Burns and Nick Garnett

THE industrial action campaign for reduced working lots among manual workers as part of the campaign to reduce the working hours of manuals hours in British engineering was on the verge of a break-through last night after unions reached a draft agreement with NEI-Parsons, a subsidiary of Rolls-Royce, on a 37-hour working week. Leaders of the Confederation unions appear to have drawn back from their campaign tar-get of a 35-hour week and ini-

of Shipbuilding and Engineer-ing Unions yesterday agreed to put the deal, linked to working practices changes, to a mass meeting of 1,700 manual workers at NEI-Parsons in Newca tle-upon-Tyne today. A ballot of the workforce will be held

on Monday.

The Confederation yesterday identified eight Lucas plants at which workers may be balloted on overtime bans and strike action as part of the campaign for the 35-hour week. At the moment, there are strikes at British Aerospace plants at Chester and Preston, and Rolls-Royce in Hillington, Glas-

Burnley: Lucas in Wolverhampton and West Bromwich; and Lucas Bryce in Gloucester.

On Monday, the CSEU is planning to select plants from the Weir Group, GKN and Lucas for industrial action bal-

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which workers are to be consulted are Lucas Aerospace in Hemel Hempstead; Lucas CAV plants in Acton and Medway; Lucas Diesels at Sudbury, Suffolk; Lucas Automotive in

The eight Lucas plants at

aerospace companies. Smiths Industries, the aerospace components group at Cheltenham, Gloucestershire, is still negotiating with its unions on the offer of a 37% hour week in return for union

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Industry officials conceded yesterday that the NRI agreement might snowball and other companies would be forced to accept a 37-hour working week. But they added that the aerospace companies were now expected to insist on more extensive productivity concessions on the part of the unions to offset the shorter week. Employment, Page 7

### Ferranti seeks to cut Defence staff in effort to reduce costs

By James Buxton, Scottish Correspondent

FERRANTI International Signal is to cut the number of staff in one of its core busi-nesses, the Edinburgh-based Ferranti Defence Systems, with a programme of early retirement and cuts in recruitment. Some 400 staff out of a workforce of 6,700 may leave the

Ferranti Defence Systems yesterday warned its employ-ees that if the measures did not reduce costs sufficiently it would embark on a programme of voluntary redundancy, followed if necessary by compulsory redundancy.

Reports that Ferranti Defence Systems would be seeking staff cuts came in August, shortly before news broke of the alleged frauds at International Signal and Con-trol, its US subsidiary. The ISC crisis could cost Ferranti £215m and has put in doubt its continuing independence.

Ferranti Defence Systems makes radar, navigation systems, electro-optic equip-ment and other products.

Mr Ron Dunn, managing director of Ferranti Defence Systems, told staff that the company had to reduce its costs. He said the prospects for growth "are not good in the short-to-medium term."

The value of the company's output had fallen in real terms in recent years and its prod-ucts needed to be more competitive. "The main objective is to reduce the cost base to ensure that when business opportunities occur the company will be lean enough to price competi-

He said the company would:

Reduce overtime significantly, end Sunday working and possibly introduce new shift patterns. • Cut recruitment to the minimum and thus reduce staff by natural wastage. Graduate and apprentice recruitment will be maintained.

● Introduce voluntary early retirement for staff within six vears of retirement. Those taking it will receive the equivalent of redundancy in severance payment.
The company confirmed that

the company confirmed that it envisaged cutting staff by about 400 but said the numbers involved depended on how effective the cost-cutting exercise was. One of its objectives will be to reduce the proportion of administrative staff to those directly involved in prothose directly involved in pro-

In August, Ferranti lost a £125m contract for a command system for the Royal Navy's Type 23 frigates. It is bidding to supply the radar for the European Fighter Aircraft project, which could provide it with work over the next 20-25

# Marshall resigns from CEGB

LORD MARSHALL is resigning as chairman of the Central Electricity Generating Board and chairman-designate of National Power, the larger of the board's two privatised successor companies, the CEGB

confirmed last night.
The task for which he was appointed in 1983 - to mastermind a new nuclear power programme – is no longer required, as the Government has shelved all but the first of its four pressurised water reactors. On Thursday the Government announced that all nuclear plants would be with-

drawn from privatisation of the electricity industry. Mr Gill Blackman, the CEGB's deputy chairman, is expected to become acting chairman, with Mr John Baker as chief executive, until the Government appoints a new chairman. Following the

announcement, backbench MPs on the Commons energy select committee are seeking to question Energy Department ministers and officials about Britain's nuclear energy programme on Wednesday.

The cross-party committee is also seeking clarifications over a leaked Cabinet document, in which the Energy Department said electricity privatisation could lead to more large-scale cuts in the coal industry.
Within the electricity indus-

try, the withdrawal of nuclear power from privatisation has raised confidence that the privatisation timetable can be met within the present parlia-ment, as the Government requires. Bulk fuel contracts between British Coal and the generating companies, which in turn will facilitate the finalising of the contracts between the generators and the distrib-

utors, are expected to be concluded shortly.

The initial contracts are

expected to keep British Coal's deliveries close to their present level of more than 70m tonnes a year. In order to avoid commitments to long-term price reductions, the corporation is ready to settle for interim contracts lasting last only three years, instead of the 10-year deals it originally proposed.

Cancellation of the full PWR

programme, and the need to develop new generating capacity, is expected to give impetus to plans for gas-fired projects. In his statement Mr John Wakeham, the Energy Secretary, made it clear that he expected gas, as an environmentally clean fuel, rather than coal to be the main beneficiary of the shelving of the programme. Lord Marshall leaves his position of power, Page 6

#### A time for tears continued from Page 1

they were kissed, talked politics and got drunk like every-one else. Less docile were a group of skinheads near the Friedrichstrasse station in East Berlin shouting 'Deut-scheland Deutscheland.' If yesterday was not quite the reunification of Germany

still-severed nation. The news that the Wall was being dismantled at Eber-swalder Chaussee in the north of Berlin brought a storm of applause from Berliners gathered in West Berlin's city centre. It was the first of four new crossing points to be cut out of the Wall in the next few days with 12 more to come. Tragedy, however, was also close to happiness on this very

German day. A man from Cottbus who had taken the over-night train to East Berlin and then dashed to the West on hearing of the open border said his brother in Cottbus had committed suicide a few days before after his wife and child left for Hungary and the

West. Mr Hans-Jorg Martin, a 45year-old East German engineer, said he wept when he arrived in West Berlin. When his mother died in West Berlin five years ago he was not allowed to attend her her

"This will have a revolution-ary effect." he said. "People in the GDR are without hope and want a new, reformed society. We must get a market-oriented

One of the crowd on the eastern side was Dr Clemens Thurmann, a mathematician. He had been over the wall the night before "to drink and have a party." Now he rumi-nated about his pride in being a Berliner and about reunifica-tion. "The intellectuals in the reform movement may not talk about reunification but most ordinary people want it," he said.

Although it remains uncer-tein just how many East Ger-mans will now move west, Dr ried that a downward eco-

#### Bulgarian leader Continued from Page 1

buro, still dominated by the Chavdar Guard, a tight group of communists who fought with Mr Zhivkov in the Partisans during the Second World War, may be finally forced to promote younger people, such as Mr Andrei Lukanov, the respected Minister for Foreign Economic Relations, to join the

top leadership.
The leadership — until recently tightly controlled by Mr Zhivkov and Mr Georgi Tanev, the Minister of the Interior - has been stunned by the growing strength of Eco-Glasnost, the independent environ-mental movement.

Last weck, the movement organised one of the biggest

ond World War, calling for democracy and a better envi-

The haphazard way in which economic reforms have been introduced since 1986 almost certainly precipitated his resig-nation. No significant political reforms or personnel changes had been introduced. Technocrats, including Mr Chudomir Aleksandrov, formerly in charge of economic and cadre policy, were sacked or margin-alised. The only concession made to the public was a modest relaxation of travel restric-

tions to the west.

There is also the nagging question of the fate of the eth-

demonstrations since the Sec- nic Turkish minority in Bulgaria, which during the sum-mer was encouraged to leave for Turkey. This undermined Bulgaria's foreign policy which had been slowly improving since the forced assimilation of the Turkish minority in 1984 and in 1985.

Moscow, and countries such as Poland and Hungary, must have looked askance when Mr Zhivkov promoted in August his 37-year-old son Vladimir to run the culture department of the central committee. Known to be less than competent, he was, however, often thought to be a possible contender for the

# A rally without direction

The markets have been whistling in the dark in the two weeks since Mr Lawson's resignation. The FT-SE has inched steadily forward on low turnover, rising more than 130 points over the last 13 days, while sterling has retraced more than half its Lawsoninspired decline against the D-Mark. There are some solid D-Mark. There are some sound grounds for optimism. Mr Major has yet to make a mistake and the political crisis has dissipated. So long as the foreign exchange markets accept there has been no change in policy, there will be no upward pressure on interest rates. Base pressure on interest rates. Base rates at 15 per cent ought to start having an impact on the trade deficit, as should a recovery in oil exports, after two

depressed quarters.

However, there is good reason to doubt whether the equity market recovery can be sustained. The problems of the retailing and construction sec-tors are gradually working their way through to the rest their way through to the rest of the economy, which as Mr Lawson himself said faces a difficult 1990. The recent signs of involuntary stockbuilding could, as the Bank of England Bulletin points out, have serious implications for future output growth as stock positions are unwound. And while demand is slowing, companies face continued pressure for higher wages — the apparent stability in the earnings statis-tics being based on lower increases in the public sector. That means bad news for profits; and although there is hope of an upswing in 1991, a Conservative recovery in the opin-ion polls will be needed to calm

equity markets about the long-term outlook.

Investment trusts The £110m debenture issue from Foreign & Colonial Investment Trust yesterday was good news for the market and for the sector. Initially, the bulk of the issue will be used to repay £74m of short-term borrowings, bringing an immediate interest saving because of the shape of the yield curve— the gross redemption yield on the issue is 11.3 per cent, well below base rates. However, the other benefit is the extra funds which F & C can channel into the equity markets - a sign that institutional confidence remains, despite the economic gloom.

Investment trusts have been cautious about exploiting one of their real advantages over their unit trust rivals - gearing. This may be because of potential problems on the reveFT Index rose 8.7 to 1,773.0

FT~Actuaries Indices (rebased) Group

trusts are obliged to distribute 85 per cent of their revenues. A large jump in the interest charge might oblige them to cut their dividends, unless like F & C, they have a strong revenue reserve. -

But gearing up makes sense, if one accepts the hypothesis that equities outperform fixed interest assets over the long term. This is a year when the sector ought to be confident its shares have outperformed the All-Share by 8 per cent and there have been signs of a return of the small investor.

F & C was prompted to increase the size of the issue because of the extent of demand yesterday; if other trusts follow its lead, it might belon plant the graph in the help plug the gap in the long-term debt market.

Unilever

In a week which saw a slight crack in Sainsbury's reputa-tion for boring excellence, Unlever might perhaps step for-ward to take its place. Its third quarter figures show volume growth and margins still on the increase, with the UK per-forming in line with the rest of the world. Earnings so far this year are up by 22 per cent: the company appears to see no rea-son why double figure growth should not continue for the foreseeable future. As the share price record in

the late 1980s suggests, the real period of change in Unilever is over making money by simply putting the business right has given way to a more normalphase in which growth depends on increased sales. But even there, the figures are impressive. In the US, for instance, Unilever now has 40 per cent of the margarine mar-ket; and in the past five years, its share of the US market for from around 15 per cent to 20 per cent. With all that, operat-ing margins in the US in the latest quarter were 9.9 per cent, compared with 9.3 per cent in Unilever's European heavitand.

There can be no doubt that the improvement in margins is partly a cyclical phenomenon. The management transformation, foo, should be treated tion, foo, should be treated with a certain mild scepticism: the UK meat business, for instance, is still a problem after decades of struggle. But at 639p, the shares are on only 12 times earnings. For a business with Unilever's stability and apparently sustainable growth record, that seems fair enough.

Electricity

This week's estimated any developments on nuclear power have not made electricity privatisation any simpler, but they ought to make it more likely to happen. That is not merely because National Power can now be sold nuclear-free, or because the nuclear levy may be borne by the taxpayer rather than the consumer. A further threat under the new dispensation has always been gross overcahas always been gross overca-pacity on the generating side: it is in that sense helpful that four new nuclear power sta-tions are not to be bailt after

But the threat of overcapacity remains. Since the new system involves the operators bidding for power every half hour, the cost at peak periods will be immensely higher than at other times. Assuming that cost is passed to the consumer, the rational result would be a levelling out in the consumption pattern. A system built to cope with huge peaks and run 60 per cent idle during the day might thus end up part idle all

The resulting competition between National Power and PowerGen would be better news for the consumer than for the investor. Mixed in with this are the imponderables on fuel costs, especially given that forcing down the price of Brit-ish coal is one of the chief political motives for the whole exercise. It is also thought provoking that electricity genera-tion in the early years will be in the hands not of two chief suppliers but three, one of them state-owned and run on lines which can only be notionally commercial. If complexity equals risk, electricity will have to promise a correspond-

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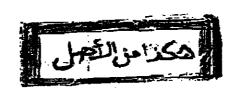
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SECTION II

Weekend November 11/November 12, 1989

# The Lawson legacy

Philip Stephens considers how history will judge the former Chancellor

AS FOR my own record. I have no doubt that I have made my share of mistakes, but I am content to be judged when the passage of time has provided a greater sense of perspective than is possible today - Nigel Lawson in his resignation speech to the House of Commons.

while his devotion to, and protectiveness of, his wife, Therees, reveal a gentler side to his character. While the tabloid press on the salary he will demand before taking a chairman's job in the City, Lawson would actually prefer to head an Oxbridge

IGEL LAWSON would like history to be the judge of his contribution to a decade of Thatcherism. Unfortunately politics will not wait. His political career is over, but a judgment on his six years as Chancellor is too central to the record of, and indeed to the outlook for, the Thatcher Revolution to allow the unroy of an historian's perspective on the unfolding consequences of his policies. Neither political friends and opponents, nor the voters, can wait for academic versions of the works who have well-between the proposed to the dicts on the man who last year claimed to have presided over the British version of West Germany's post war "economic mira-

Loyalists around Mrs Thatcher, the Prime Minister - Lawson has worked with her for 15 years in both opposition and government — are already blaming him for the economic mess which the Gov-ernment must tackle to ensure a fourth

general election victory. The authorised version circulating among Conservative MPs at Westminister is that the Government is stronger not weaker because of his departure. "Good riddance," said one Tory MP this week, without a hint of embarrassment. The for-mer Chancellor's friends meanwhile are lamenting what might have been: what if Thatcher's obsessive opposition to the European Monetary System had not eventually driven him from office?

For Lawson, an instant assessment of his legacy is hardly flattering. The man who once declared boldly typically against the advice of Treasury officials—that the inflation rate was his judge and jury has left it at its highest for seven many. For most interest sweins interest years. For most voters, surging interest rates have wiped out the benefits of last year's tax cuts. As mortgage rates rose, so the Government's standing in the opinion

polls has shown a giddy fall.

The need to narrow a current account deficit amounting to 200m a year, or 4 per cent of national income, will ensure that the economic boom of the Lawson years is unrepeatable under any Chancellor for

Nor has the frequently arrogant, always self-assured, Lawson cultivated a wide circle of friends ready to allow him the benefit of the doubt when he insists that Britain's economic renaissance has paused play "political games" — a trait which Thatcher inexplicably forgot on the day of his resignation - may be a personal strength but it does not endear him to

colleagues at Westminister.

Those closest to him insist that he can be charming and intensely amusing. His nerve and courage are rarely disputed,

But to the world at large - supporters as well as enemies, journalists and economists - he has more often shown a proud, aggressive, personality which will suffer fools not at all. Lawson is the man who can happily describe the economic fore-casts prepared by his own senior advisers as "un the pole," who can order his offi-cials to prepare a damning dessier on an unsympathetic television journalist, or manage to be supremely rude in refusing a lunch invitation.

lunch invitation.

However, his influence during the past decade runs too deep to be measured in a handful of economic indicators, by the circumstances of his departure, or by lack of social graces. He was much more than the "tax-reforming" Chancellor who turned the corporate tax system upside down and cut the basic rate of income tax to 25p and the top rate to 40p, who abolished the investment income surcharge and the dog licence. His niveral pole in the Thatcher investment income surcharge and the dog-licence. His pivotal role in the Thatcher Government's dismantling of prices and incomes policies, exchange controls and credit rationing, in the shaping of the pri-vatisation programme, and in the assault on the post-war Keynsian consensus on economic management requires a broader

Nor should his contribution to framing and articulating the philosophical — he would say moral — basis of Thatcherism be lost in what for most people was a rather arcane dispute about manag of the exchange rate. Lawson was central in giving form to the instincts of Thatcherism — to the emphasis on individual free-dom and responsibility, to the abandon-ment of "welfarism," to the onslaught on

ment of "welfarism," to the onslaught on the trades unions. As one of the principal architects of the enterprise culture, if he is judged eventually to have failed, then Thatcher will have failed also.

Understanding Nigel Lawson — and why he eventually walked out of the job he had coveted for most of his adult life requires a grasp of one central, but often hewildering, aspect of his personality. He is someone whose formidable and energetic intellect has frequently been at war with his own instincts. His career has shown a man with a sharp, restless, mind constantly seeking action and change; one who argued in 1962 as a journalist that the Treasury's abiding weakness was to do Treesury's abiding weakness was to do "too little, too late." Yet it has also illumijacket of a financial framework to constrain the very freedom that he so enjoyed; one who in the same article described the Treasury's other great flaw as doing "too

Lawson the cabinet minister never explicitly admitted the apparent contradic-tion, but it was always implicit in both his



words and deeds. During a spell as Knergy Secretary in 1982 he argued that one for-mula had delivered unprecented prosper-ity in the first half the present century. It was: "The development of free markets both national and international - within the framework of an over-arching financial discipline," an idea repeated almost word for word in his resignation speech on Octo-

The search for the discipline, which

The search for the discipline, which would take the central economic task of controlling inflation out of the hands of fickle politicians, is a constant thread in his political life. As a junior opposition Treasury spokesman in the late 1970s he was one of the first to proclaim an enthusiastic faith in monetary targets as the basis for the conquest of inflation.

It was then, incidentally, that he first mooted the idea of an independent Bank of England — which he was to reformulate and see rejected by Thatcher in 1988. As Financial Secretary to the Treasury from 1979 he was the author of the Medium Term Financial Strategy (MTFS), designed to put the paths of government borrowing and spending on the same "auto-pilot" as its monetary targets.

its monetary targets.

Just two years later he was suggesting privately within the Treasury that perhaps sterling should replace the money supply at the centre of anti-inflation policy by tying it to the D-mark in the EMS archange rate mechanism. exchange rate mechanis

y the time he became Chancellor in 1983, after his spell as
Energy Secretary, the exchange
rate was at the centre of his
thinking. Two years later, in
autumn 1985, saw his first determined, but
ultimately futile, attempt to persuade
Thatcher of the merits of the EMS.
But if there was consistency in Lewson's

But if there was consistency in Lawson's search for a firm framework to provide his "over-arching financial discipline" it was also clear that, as ever, he was ready to bend the rules. Just as in the 1960s he was convinced that that he could be trusted to drive his car much faster than anyone else, so too he could be fiexible with his

else, so too he could be nexible with his own self-imposed rules. As he said in the 1982 speech quoted earlier:

"The exercise of judgment and discretion is inescapeble. The important question is: who is exercising that judgement, and discretion?" Thus, the Chancellor who had wanted is its starling's value to the low-inflation D-mark was prepared in 1986 to completely ignore his own logic and allow the pound to fall sharply in the wake of the oil price collapse.

want to the on price consider.

With typical nerve — and complete lack of shame — he was also happy when it suited him to continue to extol the virtues of money supply targets long after their value was being questioned seriously even by his own advisers. The Financial Secre-tary who insisted in the first MTFS that public spending needed to fall; later accepted a policy that stabilised it and then one that prescribed merely that it grew less fast than the economy as a







#### 'His intellect is at war with his instinct'

All the while, the man who saw better than most that winning confidence and credibility – above all in financial markets – is at the heart of economic management would blithely claim that nothing had changed. Despite the U-turns, Lawson can argue that he has succeeded in chang-ing the nature of the debate in Britain about the conduct of macro-economic policy. The old judgment that an expansionary fiscal policy was the route to full employment is no longer conventional wis-

The 364 economists who put that case in a letter to The Times, after Sir Geoffrey Howe's deflationary Budget of 1981, were proved wrong. Few now argue that in order to achieve growth the Government must accept a budget deficit. Britain's economy has grown too fast at a time when public finances have been moving

Labour politicians, when they berate the Government's economic policies, no longer complain of a lack of demand but instead call for more action on the supply side — for more education and training, more research and more investment

And while Thatcher has stuck rigidly to Sir. Alan Walters' faith in free-floating exchange rates, most of the Conservative party — and the Labour opposition — have been convinced of the merits of the

But Lawson believes a kind judgment in the history books will depend on his role in shaping a new "tide of ideas" compara-ble to, and indeed stronger than, that which had swept the Labour leader Clement Attlee into power in 1945 If the over-arching financial discipline

proved clusive, he can claim much more credit for a prominent part in achieving the "greatest practicable degree of market freedom" which was designed to go along-The dismantling of incomes, dividend, exchange and credit, controls, the cuts in direct tax rates and in investment subsidies, the privatisation programme which largely he shaped, are the supply side mea-sures that he is proud off.

As he said in what turned out to be a valedictory address last month at the Mansion House, in the City of London, those were behind a fundamental improvement in economic performance which allowed Britain to rediscover "the spirit of enter-

Lawson's claim goes beyond that. The changes — providing incentives and opportunities instead of egalitarianism, market freedom instead of government intervention – had provided a moral basis for Thatcherism which would prove far more durable than Attlee's post-war con-

The spread of private ownership through council house sales and the widening of share holdings and personal pensions would entrench the transformation of British society as, he commented last year, "as one generation of owners creates a second generation of inheritors."

It is a bold assertion, one typical of the old Lawson rather than the mellower figure of the rest two modes.

out laws two weeks. There is no doubt that some of the changes will long outlast the debate over whether his preference for wrestling with ideas, rather than obeying his own rules, was responsible for last year's inflationary spending boom.

Neil Kinnock's remodelled Labour party promises to overturn only a fraction of the

trades union legislation for which Lawson was one of the strongest advocates. Only the utilities are set to be returned to public control under a Labour Government The top rate of income tax will rise if Kinnock wins the next election, but there is no question of a return to the punitive

ideas which has flowed so strongly under Thatcherism is not now beginning to ebb. Even as frontiers of the state are being rolled back further, the popular mood has started to question whether individual ini-tiative and responsibility can deliver by themselves the sort of society most people

he notions of collective solu-tions, of more rather than less public spending, and of what Lawson would regard as a "sentimentalist" approach to the poor, are no longer taboo — even among senior Conservatives. Among the colleagues Lawson left behind in Government, Peter Walker is the only "wet" in the traditional sense of subscribing to the Keynsian post-war consensus. That in itself is a measure of Lawson's influence as Chancellor as Chancellor

But the future leaders of the Conserva tive Party - Kenneth Baker, John Major, Christopher Patten and, outside the cabi-net, Michael Heseltine - are pragmatic

net, Michael Heseltine — are pragmatic rather than fervent free-marketeers.

They expect to shape a rather gentler, less aggressively individualistic Conservatism, responding to the electorate's demand for a better "quality of life" as well as more cash in their pockets.

Others are questioning whether the enterprise culture alone can deliver the training, research and development and industrial expansion which Britain will need to compete in the Europe of the need to compete in the Europe of the

Nigel Lawson was one of the architects of Thatcherism. It may well be that political historians will be kinder to him than his present critics. But the judgment of rates of the 1970s. No-one talks any more history on Lawson will depend on its about exchange controls, and Kinnock is assessment of Thatcher's revolution. In promising a starting rate of income tax below the present 25p.

assessment of Thatcher's revolution. In spite of the gulf that now divides them, their political reputations have become below the present 25p. their political rep Lawson cannot be confident, however, inextricably linked.

The Long View

# Here comes the non-galloping Major

omy has become. For John Major, the new Chancellor of the Exchequer, the first task must be to begin to push the economic fundamentals back into some sort of conventional Next week's autumn financial statement will provide an initial indication of his style. As the new man, he will have every incentive to throw away the Lawsonian rose-tinted spectacles and start depressing public expectations with his

forecasts. Like the incoming financial director of a tottering company, he must write everything in sight down to zero, then bask in the glow as the provisions are released again. The only inhibition, perhaps, is that the chairman from the previous regime is still there. What sort of UK plc has he discovered on closer inspection of the balance sheet? The great credit boom of the past few years has pushed first the personal sector, and then the corporate sector, into substantial financial deficits - an unprecedented situation, given that both sectors normally stay in surplus. On the other side, the public sector has found itself in a largely unplanned surplus while, at the same time, the overseas sector surplus (that is, reversing the sign, the same thing as the balance of pay-ments deficit) has expanded to an alarming and unsustainable 4 per cent of gross domestic

The lending boom goes on apace although an increasing element probably reflects involuntary borrowing by companies to finance unsold stocks. Personal sector new borrowing of \$24bn in the first half of 1989 was much too high, but at least it had eased a little competitiveness was being lost.
What it all boils down to is that the UK corporate sector,

fuelled by credit — its net bor-rowing requirement, has been running this year at an annual-ised rate of \$56bm, against just \$2bm in 1984 — has driven the price of its own equities largely out of the reach of professional fund managers. This can be seen still more clearly in the property market where, despite the acceleration of develop-ment activity, the institutions actually were net sellers in the second quarter of the year. Prices had become too high to be acceptable to long-term from the peak levels of the second half of last year. Corporate bank borrowing, however, which quadrupled to £31bn in the three years up to 1988 before slowing a little, appears

to have begun to accelerate again; it was a record £143bn in the third quarter. The essence of the Major problem is that if these huge flows of credit (aggregating 287hn in the past year) are cut off, demand in the economy will tumble, asset values willcollapse and there will be a nasty recession. But if the lending continues to expand, we shall enter an inflationary



A new financial director likes to clear out his predecessor's surplus baggage. But it can be difficult when the old chairman remains in power

In the capital markets, the patterns have often become perverse. Consider the position of the long-term investment institutions, notably the pension funds and the life companies. In normal times, their prime investments are the equities issued by British com-

panies and the bonds issued by the government actually bought back £5bn worth of its bonds from the institutions in the first six months of this year. Meanwhile, the company sector, obsessed with takeovers and leveraged buy-outs, was a net buyer of UK equities although the investment institutions managed to pick up some from the personal sector and elsewhere.

As a result, half the £14.5bn net cash inflow of the institu-

tions during the January June period went into foreign equi-ties and bonds. This was at a time when there was a yawn-ing halance of payments defi-cit. So, the institutions added to the external financing requirement; or, putting it more positively, they exerted downwards pressure on ster-ling at a time when external

If events are allowed to take their natural course, the banks will quite soon decide they have run out of credit-worthy customers and the asset bub-bles will collapse. The institu-tions will be able to re-balance their portfolios at much more attractive (to them) prices. So will foreign investors and com-panies, serving to replace with long-term finance much of the hot money that is keeping Britain afloat. This will be an entirely healthy, if distinctly incomfortable, adjustment.
But the political conse-

quences could be difficult to

housing market where buyers and sellers continue to be a long way out of line even though prices have eased a little. In the domestic property market, not only money but votes could be lost. On the one hand, it is embarrassing economically that householders are still cashing in on the secu-rity of high values and using mortgage money to bolster consumption. On the other, no

consumption. On the other, no Conservative administration could admit easily that home ownership might be too much of a good thing.

John Major could, therefore, see the easy way out as being to take the inflationary path: asset prices may be high in real terms but they could be real terms but they could be validated by inflationary rises case of corporate assets, by depreciation of sterling. Of course, the policy would not be presented in this way, but as an easing of credit to prevent a financial crisis in industry. The inflation would then be blamed on Nigel Lawson's

attempt to shadow the D-mark. But if the new Chancellor is going to be tough, it is right that people should be warned. We have had enough talk of blips and problems of success. Sterling bank and building society lending to the UK private sector has risen by some £200bn in the past three years to reach £500bn. John Major's task is to get a grip on credit, and he cannot do so without the risk of serious up the economy.

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Pacific Basin Equities	ար58.6%
Continental European Equities	ար 45.8%

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handle, and still more so in the CONTENTS Stock Marketa Property: Château living Finance: Gloom and Dumenil London New York Sport: Racing, tennis How To Spend R Motoring TV and Radio How to Spend Hr Fake furs IX Travel: On tour in Tunisia Motoring: Jaguar/Ford link

at the second second

# ZEINANGE (SATEEFAMILY CALLIS WEEKS

#### Merger makes history

A merger agreement between Cheltenham & Gloucester building society and Guardian building society made history in the sector this week. For the first time, members of a smaller society being absorbed by a larger one are to get cash compensation. David Barchard reports. Page III

#### Hidden in the small print

Andrew Hill combs the prospectus on the water and sewage businesses of England and Wales for the kind of details which the casual reader may have missed. Page Y

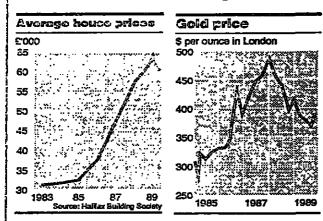
#### How to give gifts wisely

Passing on your assets from generation to generation is a subject fraught with rules and regulations. Changes in the last Budget have only added to the difficulties. Caroline Garnham advises on how to avoid a potential double tax trap when sharing your wealth among family or friends. Pius Peter Gartland's column for expatriates, this week giving details of a potential payout for those who have worked in Saudi Arabia. Page VI

#### ganging your own pasiness

Most people go into business for themselves in order to sell a service. A very much smaller number of people have an invention they think they can market. But there is a third category; those who launch small business ventures in order to sell specific skills. Roy Hodson talks to four people who did just that Page Viil

🗖 BRIEFCASE: Transfer of shares - Page VII



#### House price inflation shows further fall

The annual rate of house price inflation fell from 9.5 per cant in September to 7 per cent in October, according to the Halifax Building Society. It is expected to fall to below 3 per cent by the end of the year.

Halifax said that mortgage demand had started to decline again following the latest rise in interest rates. It had shown signs of picking up briefly in August and September. Low start schemes have helped first-time buyers, although the annual rate of house price inflation in this sector of the market has still fallen from 14.7 per cent in September to 12.5 per cent in October. The average price paid by first-time buyers is now £51,600. Hallfax predicts that house prices will remain depressed next year before recovering in

#### Gold price at seven-month high

The gold bullion price surged to a seven-month peak in London this week raising hopes among gold "bugs" that the long-term bear market had finally ended. The rise was triggered by strong buying from the Middle East and Switzerland, encouraged by the weaker trend in the US dollar and continued lears of inflation. Some traders are now confidently forecasting that the price will climb above \$400 an ounce before the end of the year. John Edwards

Employees will at last be able to have their pension grievances investigated and resolved through an easily accessible system. The Government this week announced its proposals for providing greater security for employees in occupational pension schemes, some 11 months after receiving recommendations on the subject from the

Occupational Pensions Board.
The main proposal is the establishment of a Pensions Ombudsman and the expansion of the role of the Occupational Pensions Advisory Service (OPAS) to cover complaints about personal pensions as well as company pensions. The Government feels that the new service should concentrate on the type of problems facing individuals rather than institutions, and that the well-tried and respected Ombudsman system is more suited for individual complaints than is a tribunal. Eric Short

#### High-interest bond offer

A bond offering fixed rate interest equivalent to 11.7 per cent net for the standard rate taxpayer over a six month period is being launched by Lloyds Bank on Monday. It will be available until December 8. Minimum investment is £5,000 and the maximum £250,000. For sums over £50,000 the interest is paid at the gross rate of 14.9 per cent. Open to Lloyds customers and non-customers, the bond will be administered through a newly-formed Personal Savings Unit set up by the bank in Newport, Gwent. J.E.

#### Advice on home insurance

Getting the most suitable insurance for the contents of one's house at the most suitable price has become a complicated issue these days. The November Issue of Which magazine provides householders with practical help through this maze. Guidance is given on how to ascertain the value of the contents, although there is no short cut to making an inventory and putting a value against each item. The article provides a list of policy conditions on contents insurance policies from virtually all the insurers in this market, with ratings on service and claims handling, together with guidance on best buys. E.S.

#### LONDON

# A week is a long time in the City, too

True, there have been no Cabinet changes for at least 10

days. No sets of unflattering economic statistics have emerged and the London stock market has not plumbed new depths. Indeed, the FT-SE 100 index ended the week 43.6 points higher at 2,216.7, just 16 points short of its closing level on the evening of October 13, the last day of trading before

Wall Street tumbled.
So. no apocalypse. However, critics of the Government in search of a telling image of the decline of Thatcherism for their social histories could do worse than pick out Thursday November 9.

In the City, there was the sight of merchant bankers, stockbrokers and solicitors connected with the Blue Arrow affair being carted away in Black Marias and charged with conspiracy to defraud. In Westof previously sacred policies

FT-SE 100 index

Body Shop Intl.

Ex. Co. Louisiana

Leisure Investments

Hawter Siddele

Morgan Grenfel

Lloyds Bank

Pilkington

Sun Alilance

United Newspapers

THE FEVERISH volatility of

stock prices is causing anxiety not only in the retail broker-

age houses and the halls of Congress but, more important,

among some of the technical analysts who work for large institutional investors on Wall

The kind of switchbacks

experienced over the past

week, when the Dow Jones

Industrial Average has zig-zag-

ged up and down by an average of 25 points daily, are

symptomatic of a market los-

ing its sense of direction.

The question now is what sense of direction the market is losing. Is this the end of the

long upward trend that began in 1982 and resumed two years ago after the massive break of Black Monday? Or is the

present indecisive churning

merely the final stage in the

short-term correction set off by the mini-crash of October

Many individual stocks,

including most of the indus-trial and technology issues,

have never recovered to the peaks they hit in 1987, just before Black Monday. Today, IBM is 45 per cent below its pre-crash high and Digital Equipment is 58 per cent lower, while Ford is 21 per

And, contrary to some impressions, the weakness of

the past two years has not been confined to the computer

and metal-bashing sectors.

August 1987.

**Barcl**ays

Colorell

Price y'day

517

488

649

37

418

468

165

239

651

306

+39

+ 76

-20

-22

+37

-5<sup>1</sup>2

+42

+63

+24

+26

+20

+20

IT HAS NOT been a great week for the Thatcher Decade. being led to the slaughter as the Government announced that it was withdrawing its commitment to privatise the nuclear power industry.

As simply another indication of the new vulnerability of the Government, the embarrassing amendment to the electricity privatisation was not that important to the market, and the Blue Arrow affair is from another time as far as marketmakers are concerned. But both developments have taken place under the shadow of the big R-word: recession. It reappeared in Thursday's quarterly Bulletin from the Bank of England, which warned of the economic dangers of high wage settlements.

The market, for all the gloomy portents, has looked narkably resilient this week As always, when deprived of clear economic or corporate indicators at home the equity salesmen began to cast around which might attract clients.

HIGHLIGHTS OF THE WEEK

2426.0

560

488

177

384

276

111

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177

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337

520

273 l<sub>2</sub>

1989 Low

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321<sub>2</sub>

257

122

198

on Monday and Tuesday, when shares were traded within a narrow band of about 10 points, the FT-SE 100 was buoyed midweek by an apparent easing of monetary policy in the US. On Wednesday, it rose through the psychologi-cally important 2,200 mark, ending up 25.6 points, and the same factors drove it up 15 points yesterday.

The extraordinary political developments in East Germany also provided a suitable excuse to deal, in the absence of anything closer to home. On Wednesday, building stocks benefited (more homes for East German refugees) and yester-day defence stocks lost out ing of the military stand-off round the border).

Equities analysts now believe that Footsie will yo-yo within a narrow band for the rest of the year, restrained by high interest rates, which offer good returns on cash, and supported by institutional liquid-

Stock shortage/firm sterling

Banks finalise debt provisions

Better-than-expected interims

Positive rating from James Cape

Company seeks "white knight

West German building hopes

West German building hopes

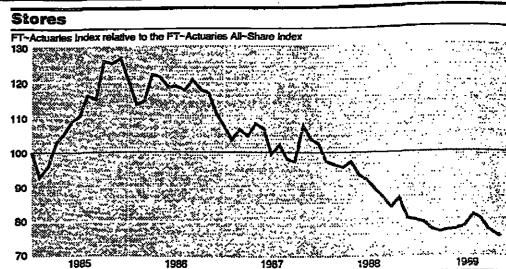
Hopes of higher US premiu

372 Conrad Black raises stake

Stake and management change:

Dritting report imminen

319 Banks finalise debt provision



That view is unlikely to be upset by next week's Autumn statement from John Major, the new Chancellor. Most of the economic policies have been thrashed out in the House of Commons and in the media, but he could well forecast a slowdown in the economy.

Companies reporting this were emitting a confusing mixture of signals about when that slowdown might start to take effect - currently the burning question for ner-yous fund managers.

The millers and bakers of

Associated British Foods managed to beat City estimates on Monday, with a 25 per cent rise monday, with a 25 per tent rise in interim profits to £111.3m before tax. Two days later, J Sainsbury provided an unchar-acteristic disappointment with

half-year pre-tax profits up only 15 per cent to £215.1m. On Monday, consumer borrowing figures showed the smallest rise since November 1986 as high interest rates took their toll. The effect of higher rates was already obvious to some put-upon retailers. Sir Terence Conran's BhS, Habitat and Mothercare, among others, are feeling the pinch - parent group Storehouse's profits slipped from £23.6m to £8.7m in the half-year announced on Thursday. On the same day — in sharp contrast to Conran's tarnished empire — another trend-setter, Body Shop, announced a 31 per cent

increase in interim profits from \$4.07m to \$5.32m. BP and Shell, meanwhile,

market highs from 1966 until

1973 would have done just as well (or better) to keep his cash in the bank on a five- or

unfortunate enough to buy into the stock market late in the 1920s, of course, would have suffered much more severely. It took 25 years for the Dow Jones Industrial

Average to recover even to its

1928 level, never mind its 1929

bearish horrors, however, it is

important to consider the

other possible interpretation of the malaise on Wall Street. It is still quite possible that the confusion of sudden rever-

sals and recoveries will estab-

lish a firm floor for prices and give way gradually to a resumption of the bull market.

But in order to confirm a renewed bullish trend, the

market will probably have to pass some crucial tests. According to most technicians,

even 10-year basis. Someo

both reported a fall in earnings in the third quarter of the year, down a third and 20 per cen-

trespectively.

Beyond the routine results, excitement in the merchant and domestic banking sector provided the main attraction of surprisingly busy corporate

Lloyds and National Westminster banks announced a sharp increase in their provisions against bad Third World debts on Thursday. That removed uncertainty about those liabilities and pushed up their share prices, despite the fact that Lloyds will now report a loss in 1989 and Nat-West a significant reduction in

Rarlier in the week, investors in Morgan Grenfell were teased by the group's confirma-tion that it was in talks with the Barclays banking group, among others. But scarcely had the City had a chance to chew over the prospect of a tasty merger of Morgan's corporate finance arm and investment subsidiary and Barclay de Zoete Wedd's securities business than it was forced to spit it out. Within a day, the BZW/Morgan talks were off, although Morgan is still looking for a "white knight" to substitute for the unwelcome attentions of France's Banque

A similarly short-lived teaser was posed by a group of DRG's institutional shareholders, who revealed on Tuesday that they might hold on to more than 25 per cent of the paper and pack-

does not mean that the mar-

kets for fledgling companies still a twilight world of compaaging group, despite the suc-cess of the bid from Roland Franklin's Pembridge Investments. The prospect of large shareholders extracting more than the bid price from Franklin was scotched on Thursday when their opposition to the £697m hostile offer fell apart.

There were some notable sellers. They included Philip Morris, the US tobacco and food conglomerate, which is to sell its 24.9 per cent stake in Rothmans International back to Richemont, a Swiss com-pany which owns the non-South African interests of the Rembrandt tobacco multi-national; John Gunn, British & Commonwealth's chairman, who put the group's investment management subsidiary Gartmore up for sale; and Tony Clegg of Mountleigh, who sold his 22.5 per cent in the UK property group he built up to two erstwhile associates of Michael Milken, the US junkbond specialist, and finally relinquished his place on the Mountleigh board.

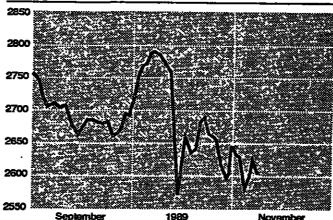
Two bids seem to be moving to a conclusion, albeit slowly. Capare Group is now certain to win the industrial fastener and engineering group Armstrong Equipment. Meggitt, on the other hand, despite claiming control of 76.6 per cent of USH. the defence contractor, is seeking more financial information before declaring the offer unconditional; just one symp-tom, perhaps, of the market

**Andrew Hill** 

# Darkest hours may lie ahead

**WALL STREET** 

**Dow Jones Industrial Averages** 



summer of 1987.
From this point of view, the mini-crash last month was the culmination of an exceptionally long bear-market rally, and the present struggle between the bulls and bears on Wall Street will give way -after a month or two of back-ing and filling - to a new

Even a broadly diversified industrial, service and financial giant like General Electric is today 18 per cent below the peak of \$66 % it reached in downward move. On past experience, such a renewed bear market would be unlikely to end before the lows After two years of disaphit in 1987 were re-tested. cointing performance, a som-bre message is now conveyed More fundamentally, a genu-ine bear market would almost by such stocks. It seems quite possible that the long-term bull market which began in certainly continue until an economic recession was well

under way.

A decisive new upward move would typically begin only as investors began to catch a glimpse of the light at the end of the recessionary tunnel – or, more precisely, at the darkest hour just before

long-term investors is that the late 1980s could turn out to be one of those few periods in his-tory when investment in equities turned out to be less profitable — say, on a five-year time horizon — than keeping funds in cash.

Such episodes have been infrequent in the past but they have occurred, despite the heavy advertising from the brokerage and mutual fund industry which has appeared to dispute this. In fact, anybody who hought US equities near the annual

it will have to stay above the 2,500 mark on the Dow Jones Industrial Average and it will have to break through a line of declining highs which is now in the region of 2,650 on the Dow. More fundamentally, the

market will have to find new faith in the industrial and technology stocks. These have been battered so thoroughly of the economic dawn. late that they could just be candidates for the hypothesis that the "darkest hour is just What all this means to

before the dawn."

If, on the other hand, the market now rallies weakly, buoyed up by nothing more than faddish consumer and takeover stocks, investors should brace themselves for much darker hours still ahead.

2582.17 - 47.84 2597.13 + 14.96 3623.35 + 26.23 2603.69 - 19.67

Anatole Kaletsky

over-the-counter market. This was never a single market; rather it was a loose alliance of OTC dealers such as Harvard Securities and Prior Harwin. licensed by the Government to trade in securities.
These flourished at the start of the 1980s until, by the mid-dle of the decade, the OTC market covered more than 150 companies. However, unscru-

Companies Exchange.

pulous selling techniques brought the market into disrebrought the market into disre-pute. One of the prime motives of the Financial Services Act was to clean up the OTC mar-ket; as a result, several of the old OTC dealers have been For shareholders, the inevi-table result is that in most

cases nobody is now making markets in the shares. A recent survey by the *Investors Chronicle* showed that, of 158 compacle showed that, of 158 companies formerly traded on the OTC market, 25 per cent were in liquidation or receivership, 14 per cent had been taken over and 14 per cent had moved on to the stock exchange. The remaining 47 per cent existed — in various states of health — outside the states of health - outside the stock exchange Several of the old OTC deal-

ers are now, however, fully authorised and in good health. One such, the Granville Inde-pendent Companies Exchange, can claim to be the originator of the junior markets. It was formed in the late 1960s by a group of US investment bank-ers, under the name MJH Nightingale. Their idea was to create a counterpart to the Nasdaq market in the US by encouraging institutions to invest in unquoted companies. Nightingale, which changed

its name to Granville in 1981, had little in common with some of the less reputable licensed dealers. It was owned by a group of pukka institutions and pension funds and dealt almost entirely with institutions, with just 5 per cent of its business represented by private shareholders.

Furthermore. Granville never made markets in its Nikki Tait companies: it merely matched bargains. Also, the companies

it fostered tended to be rather be dead and buried, but that conservative family-run concerns, in contrast to the highly speculative businesses sponfringe markets. As a result, the company's activities have not been inhibited as a result of

nies which are traded on a semi-official basis. The key to these markets is the Financial Services Act. a stock exchange regulation by the arcane title of Rule 535.2, However, it has diminished in size over the last few years. under which member firms are permitted to match buyers and sellers in certain shares. There At its peak two years ago the Granville Exchange dealt in 25 companies with a combined is also a distinct match bargain market capitalisation of £300m. Since then it has shrunk to about half that, with 13 companies capitalised at about

market run by Granville, a stock exchange member, under the title of the Independent £150m. Indicative prices of these companies are listed in a But any mention of the fringe markets must involve box advertisement carried the most famous of all - the every day in the FT. Its traditional role has diminished, according to Rob-ert Schiff, a director. "The USM can cater for a lot of the

JUNIOR MARKETS

In praise of

Rule 535.2

things that the Independent Exchange used to cater for." Gradually its companies have graduated — mainly to the main market. "It is no progres-sion to go from the Indepen-dent Exchange to the USM," says Schiff. "It has the same liquidity and the same kind of investors." investors. Not surprisingly, the Gran-

Not surprisingly, the Gran-ville Exchange has changed its focus as its original role began to disappear. Now it has embraced special situations, such as companies that have performed management. performed management buyouts but which are not yet eligible to join the market.

Granville is the best-known

of the brokers which match bargains in the shares of imquoted companies. But there is also a sizeable list of brokers is also a sizeacie list ut proxers that match bargains under Rule 535.2 on an occasional basis. At present, the stock exchange permits nearly 200 companies to be dealt in this way. These include companies formed under the BES; ex-OTC companies; football clubs; private railways and water companies; and large but reso-lutely private companies such as Weetabix.

It seems likely that the ranks of Rule 535.2 traded companies may be swollen by the proposed abolition of the Third Market, as a few Third Market companies will not make the transition to the USM. How well will the Rule 535.2 facility fill the gap for these companies? They will receive less publicity, there may be less liquidity in the shares (although many Third Market (although many Third Market stocks are also highly illiquid). but on balance the matched bargain facility is thought to do a reasonable job.

After the excesses of the active but shambolic OTC mar-kets and the disappointment of the respectable but unpopular Third Market, it seems unlikely that any alternative will soon be put in place.

Vanessa Houlder

#### Time for a finer focus on demergers

SHAREHOLDERS IN Williams Holdings, the £1.1on engineering conglomerate, are about to find themselves clutching two pieces of paper instead of one. The first is their Williams share certificates; the second, a letter of entitlement to Pendragon shares. Williams' upmarket motor distribution business.

It is the result of the first in a spate of demergers currently envisaged by some of Britain's larger companies, which gained the blessing of Williams shareholders yesterday. If all goes well, the demorger route will be trod again by Courtaulds - splitting out its textile and chemical interests and, at some stage in the New Year, BAT industries with its Argos retail and paper manufacturing businesses.

But small shareholders may find themselves wondering how such corporate restructurings benefit them. Are they actually enriched and, if so, do the rewards outweigh the inconvenience of holding two

investments instead of one? The theory behind demer-

gers has been well-rehearsed. When a company's interests span a number of activities, runs the thinking, the worth of some may go unappreciated in the overall stock market valua-This can imply sloppy analy-

sis by the market, so the rating of the company's smaller interests become overshadowed by the rating attached to the dominant line of business. But industrial and managerial considerations also tend to be cited by companies planning demergers. In the Williams case, for example, the company has suggested that independence should enhance the motor distributor's relationship with manufacturers, and that it will now have separate access to stock market funding possibilities.
On top of that comes the

broader doctrine - expounded most recently by Sir James Goldsmith and his allies during the bid for BAT - which asserts that management will function more successfully if it is running a focused company and is not bogged down by

1982, or arguably as far back

as 1974, actually ran out of

steam two years ago in the

head office bureaucracies.
Such theories, it should be said, are not uncontentious particularly on the last score. Corporate fashions come and go, and it may be no coincidence that "focusing" is a much-utilised word in fee-conscious investment banking par-lours at a time when the acquisitions picture is looking

rather dodgy.
In the Williams case, the benefits of the Pendragon exercise to investors have not been too apparent. News of the demerger plans accompanied the company's interim results in early September, making the impact of the news difficult to disentangle from the broader picture. Nevertheless, the shares managed only a few percentage points of outperformance against the FT-All Share Index until the end of September, and have tended to underperform since then.

Looking to the level at which the new Pendragon shares might start trading on Monday, analysts seem to be suggesting something around the 80p to 90p level. That is based on con-sideration of the nature of Pendragon's business, estimates of 1989 profits - no forecast was made - plus underlying asset value and the chances of any bid premium entering the

The point is made that Pendragon's dealerships, by spe-cialising in luxury marques, should fare better than many of their competitors in a recession-threatened environment, and the group's management seems to command respect. Gavin Launder at Kleinwort Benson, for example, suggests that Pendragon might make £4.4m pre-tax in 1989, while Laing & Cruickshank goes for £4.8m. This compares with the pro forma figure of £1.36m,

after a £2m exceptional item, last year. However, the City has also noted that Williams' remarks

about the need to ensure conti-nuity of Pendragon's franchises made a trade sale difficult. This suggests that bid premium is unlikely to And there are fears that both

small shareholders and some institutions which own shares in Williams – a sizable conglomerate - may not be very interested in holding stakes in a modest motor distributor. This could produce selling pressure in the days following the demerger. The degree of this is an unknown factor, but the stability of the Pendragon price during the first month could depend heavily on the skill of its brokers in lining up replacement buyers.

The demerger is only small in the context of Williams as a whole, with shareholders receiving just under five Pendragon shares for every 100 Williams held. Analysts expect the loss of Pendragon earnings, which accounted for only 5 per cent of group trading profits in 1988, to chip around 5p to 10p

off the Williams price. So if this, together with predictions for the opening price of Pen-dragon are correct, shareholders - at least in the short-term will neither gain or lose significantly. Any inconvenience is being

minimised by a special dealing facility which allows holders of less than 750 shares to sell via Barclays de Zoete Wedd commission-free. Some 30,000 out of Williams' 36,000 shareholders could be eligible. Even so, there is a slight

sense of non-event. As one conglomerate analyst remarked: "It is rather difficult to see what the exercise achieves at the end of the day." While it would be unwise to draw conclusions from what is only a relatively small demerger, the message may be that financial engineering can achieve only so much. The real justification such exercises comes when longer-term industrial rationale underlies the reshuffling.

#### FINANCE & THE FAMILY

BRIGADIER Kenneth Mears is a worried man since the decision by Dumenil unit trust group to suspend dealings in all 11 of its UK funds. He became a modest investor in the funds some two years ago, just before the 1987 stock market crash, and has been nursing losses ever since. Now he, and no doubt the other 12,000 investors locked in to the Dumenil unit trusts for an unspecified period, is appre-bensive that even worse might

He first became became worried earlier this year when the dividend payment on Dumen-il's Income Strategy fund was delayed. It was eventually paid, but in August he received a letter from Christopher Fawcett (the managing director who has subsequently left the company) enclosing a dividend warrant for the Dumenil UK Growth fund of 1p a unit – representing only a portion of the final dividend due.

The letter said that the managers' report had not received a final audit sign-off and that this prevented payment of the full amount available. It was envisaged that the problem would be solved before the end of the month.

However, by October, nothing had happened. Telephone calls produced only evasive answers and a letter sent by the Brigadier on October 19 seeking clarification received

Then, out of the blue, Dumenil this week announced that it was taking the unprecedented step of suspending dealings in all its UK funds. The announcement said that "recent investigations have indicated that there may have been pricing errors in the cancellation, bid and offer prices

gloom and Dumenil for units." It added that tion of the temporary suspen-Touche Ross, as reporting accountants, were investiga-

ting the situation. The company was unable to provide any further clarification of what had gone wrong except to say that it was nothing to do with the external valuation of the shares held by the funds (provided by the WM Company), but rather was "an internal inquiry."

Nigel Herrick, sales and marketing director at Dumenil, said the group had spotted that some prices were inaccurate and was confident that Touche Ross would soon clear the matter up. He admitted that there had been some problems "on the cash side" and that there had been difficulties following the decision to dispense with outside contractors and bring the administration in-house.

"I know there were adminis-trative problems because of the muddle they got into with another fund, in which my wife has an investment," said the Brigadier, "But to suspend all the funds, and delay dividend payments on UK trusts, means that there is something very wrong. There must be a reason. They should come clean."

His worry seems well founded. No other unit trust group is known to have suspended dealings in all its funds, with the possible excepsion of trading by some groups in the immediate aftermath of the October 1987 stock markets

John Edwards on the suspension of 11 UK funds

**Investors rocked by** 

Under the Securities and Investments Board (SIB) unit trust pricing regulations (sec-tion 28), dealings may be suspended at the instigation of the managers, with the prior approval of the trustees, it is eemed to be in the interests of

the unitholders. Alternatively the trustees can request the managers to suspend dealings. The suspension is supposed to be lifted after a month, but can be

In both cases the SIR and the self-regulatory organisations concerned have to be notified

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Courts & Co and the Midland Bank, confirmed that they had acceded to the request by Dumenil to suspend dealings, made at a meeting which included representatives from the regulatory organisations. They stressed that the assets of the trusts had been, and continued to be, under the control In fact, according to Dumenii, investment manage-

of the reasons for the

The two trustees involved,

suspension.

in the normal way in spite of the suspension. John Morgan, chief executive of the Investment Managers Regulatory Organisation (IMRO), disclosed that his organisation had investigated Dumenil earlier this year and that this had led to the inqui-

ries that sparked off the sus-

ment of the funds is continuing

He would not say whether this was a routine or a special investigation. But it is no secret that Dumenil received some unfavourable press publicity earlier this year that might have been expected to alert the regulators and the trustees that something might be amiss.

Specifically, a prominent article in the June 22 issue of Financial Adviser, the FT weekly paper for intermedi-aries, highlighted several prob-lems facing Dumenil. It included claims that its European funds were "manager-less" and that the group had been shaken by the departure of several senior executives and poor investment perfor-mance. There were also reports claiming that the group's Span-ish fund had delayed dividend

unit trust pep

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which manages the 11 authorised unit trusts, is a subsidiary of Dumenil Leble, the Parisbased financial services group which is owned by Cerus, the French holding company of Carlo De Beneditti, the Italian financier. It entered the UK unit trust market back in 1966 and at its peak had £80m under management after taking over the EBC Amro range of unit trusts at the end of 1987.

The UK arm of Dumenil.

The funds taken over from EBC Amro, the subsidiary of a Dutch-based group, were incor-porated with the Dumenil range. They cater primarily for the specialist fringe of the market, offering funds investing in single countries, mainly in Europe, or in specialist geo-graphic areas such as the Mediterranean. There are single country funds for Belgium, France, Germany, Italy and Switzerland, as well as two UK and one international fund.

The total value of funds under management has slumped to £33m and there have been persistent rumours that the company is up for sale.

Specialist, single-country trusts have generally fallen out of favour with investors since the 1987 crash. They are viewed as being very risky, not only because of the volatility of some of the local markets with low trading volume, but also because of settlement prob-

With this background, Brigadier Mears and his fellow investors may be wondering why the trustees didn't keep a closer eye on what was going on, since under the SIB regula tions they are required to take that the methods used for pricing are carried out correctly.

They might also wonder how, under the elaborate regulatory system set up the Financial Services Act, they find themselves in the uncomfortable position of being trapped for an unknown period, in funds where nobody seems to know quite what is going on.

David Barchard assesses a good deal for savers Merger makes history

between Cheltenham & Gloucester, the UK's eighth largest building society, and Guardian, the 19th largest, made history in the sector this week. For the first time, members of a smaller society being absorbed by a larger one are to get cash compensation.

The compensation is highly attractive. The 80,000 saving members of Guardian will get 5 per cent of their balances. This means that the average Guardian saver, who has an account of £13,000, will receive a bonus of £520 free of basic rate tax. But the merger has important implications for all investors in smaller building societ-

Until now, building society mergers have always gone through without any suggestion of compensation for mem-bers of the smaller society, even though they are the legal owners of its reserves - the profits accumulated over the years. The issue of 100 free shares to Abbey National members at its flotation last July seems to have changed that. Abbey National's share handout was to compensate members for handing over

ownership to the new plc. At the time, a number of industry specialists asked pointed ques-tions about why there was never any compensation for members of small societies when they disappear, usually totally, in mergers which are really takeovers by a larger

Andrew Longhurst, C&G's managing director, did not use the word "compensation" to describe the handout to Guardian members. He said it was a move to "harmonise" their C&G with their previous entitlement to the reserves of Guardian. As a result, Lon-ghurst said, members of Bedford (a much smaller society

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Andrew Longhurst, C&G managing director

than the Guardian with which C&G announced merger plans in August) are to get 5 per cent of their balances, because Bedford's reserves are proportion-

By the usual standards of big business, this is an extraordi nary situation. In stock market takeovers, shareholders are paid by the company launch ing the takeover bid to hand over ownership. In a building society takeover, members are paid out of the funds of their own society by the bidder, sharing out the reserves

The Building Societies Com-mission, the industry watchdog, is understood to have examined and approved the C&G's merger proposals, so there would appear to be no

legal obstacles. However, there is a limit to the amount of reserves which can be shared out in this way. Reserves consist of money which the society is holding unused as liquid capital for contingencies. The business must have reserves of more than 4 per cent, so societies

with reserves much greater

than the required level may be likely targets of takeover bids in future.

Many societies are sitting on large amounts of unused capital. Both Guardian and Bedford had reserve ratios of above 8 per cent: National Counties has a reserve ratio of more than 20 per cent. In theory at least, societies with high reserves could now face pressure from groups of rebel members wanting to hand over membership to a larger society and share out the kitty. Ther could even be contested merger bids.

There are some strings attached to the Guardian deal. Borrowing members - those with mortgages - are not enti-tled to cash. They will get only a 0.5 percentage point cut from their mortgage rate for a year, worth around £250 on average. Savers must keep their funds in Guardian until the merger has gone through next April in order to obtain the cash bandout.

These cash handouts, incidentally, are not quite the same as those that may take place at building society flotations. These will again be limited to saving members only and to qualify - under rules recently announced by the BSC - they must have been a mem-ber of the society for at least

This is not good news for the 40,000 people who have been investing \$100 in National & Provincial, the main society tipped to float soon. Now it looks more likely that future compensation will depend on the size of a saver's deposits. Worse still for those 40,000 expectant people, N&P, which was expected to announce its float early in the New Year, has now postponed its plans indefinitely. Perhaps it would have made more sense to keep the money with a smaller

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#### Sara Webb looks at a troubled group's future

# Gartmore up for grabs

GARTMORE, the unit trust and pension fund management group, was offered for sale this week and its owner, British & Commonwealth Holdings, is hoping to get at least £130m. Obviously, though, the 120,000 investors who hold units in Gartmore's funds are wondering how this will affect them. Would a new owner be likely to overhaul the management

and force an improvem the performance of those funds? And what should the unit-holder do? Unit-holders have no power to influence any decision regarding the new owner.

other than by voting with their feet. But pulling out of Gart-more's unit trusts could prove costly, not only in terms of the bid-offer spread but also because investors could have to pay capital gains tax at 40

Alan Torevell, managing director of independent financial adviser Torevell, Mahon Granville, says he would not recommend his clients to buy Gartmore funds now. He feels that investors who own Gartmore units already should keep a close watch on the funds' record in the next few months and pull out if there are signs

of underperformance. According to Torevell, it is not a good sign when a group is put up for sale and there is uncertainty about its owner-ship. He adds that funds "quite often suffer when they are taken over because there may be a different emphasis and the funds don't get the sort of care

Given the recent link-ups between fund management groups and European financial service houses (for example, GT Management paired with Bank in Liechtenstein, Thornton Management with Dresdner Bank of West Ger-many, and Prolific with Hafnia Holding, Denmark's second-largest financial services group), it looks quite likely that Gartmore's new owner will be a foreigner seeking a way into the UK market. But, as another independent

financial adviser pointed out, it is in Gartmore's interest for people to believe it will have a



Gartmore's Paul Myners

foreign/European owner which does not already have a strong presence in the UK market. Such an owner would be unlikely to interfere with the existing management. Thus, staff and fund managers would be less likely to look for new jobs elsewhere.

Paul Myners, Gartmore's chairman and chief executive, says: "The aim is to keep the investment team intact, ensure independence, and hope that the new purchaser adds strength. As long as the pro-spective purchaser has the sup-port of the majority, the man-agement team stays in place."

An established UK financial An established of inflancial services group might feel inclined to shake-up the fund managers or trim staff in areas of overlap — which could tempt staff to jump ship while they can However, some unitholders might well hope for such a shake-up, given the group's mediocre unit trust

erformance. Gartmore admits that 1988 was a particularly poor year.
"We had a wobbly in 1988 and
we need to improve our performance record," says Myners. But he argues that a lot has been done already to improve performance, with several senior appointments. "We have de-emphasised a few people and recruited some others – a

case of infilling. In September, Gartmore hired Tony Thomson (formerly of Shearson Lehman and Mor-

gan Guaranty) as head of international equity management, supervising all of the overseas funds. He replaced Peter Scott, Gartmore's investment strategist, who has now left the com-

Simon Nicholson, a Far East specialist, was recruited from the Royal Bank of Canada (before that, he was at John Govett) and now runs the Far Eastern (excluding the Japa-nese) funds. Roger Ward joined from Legal & General to heef-up the UK equity side, spe-cialising in smaller companies, while Duncan Trinder joined earlier this year from Bankers Trust. He specialises in UK larger capitalised stocks. Gartmore also integrated its

UK unit trust team with the UK pension fund management side in the first quarter of 1969. The group suffered from net redemptions earlier this year, but since the summer it has showed net sales and is now seeing a strong flow of savings into its money market fund, where the return is 15 per cent

As evidence that it has improved its fund performance in recent months, Myners says that taking all of Gartmore's funds into account and using Micropal figures (offer to offer, income reinvested), 25 per cent of Gartmore's UK authorised funds in 1988 were above the sector median fund and 75 per cent were below.

This improved to 36 per cent above the median and 64 per cent below for the 12 months to the beginning of July; and 55 per cent above the median (45 per cent below) for the 12 months to the beginning of

offer

Myners regards this as evidence of an improvement in performance although he admits it is "still not satisfac-

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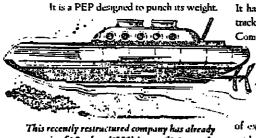
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#### FINANCE & THE FAMILY

THE WEEK AHEAD

# BT heads a busy week

NEXT WEEK sees the biggest flurry of results since September, with five former state industries among the leading names reporting. British Telecom is expected to report flat second quarter pre-tax profits of about £635m on Thursday.

The reason, says Stephen Owen of James Capel, is that the McCay stake acquisition.

Owen of James Capel, is that the McCaw stake acquisition became effective at the beginning of the quarter, adding to BT's interest charges. Staff costs went up at the beginning of July but price increases only came through on September 1. But Owen stresses the defensive qualities of BT, pointing out that call volumes will continue to grow even if the economy goes into recession.

Although British Airways, due to report on Wednesday.

due to report on Wednesday, has had a frustrating time in terms of increasing its capacity, its prowess at squeezing more profit out of each seat should push the pre-tax figure to about £250m (£222m) for the six months to September 30.

Delays in delivery of the Boeing 747 400s have limited transatlantic growth, but the switching of aircraft from the lower margin summer charter trade to this route should have helped yields. Every word or glance exchanged between Lord King and Sir Colin Marshall will no doubt be closely scrutinised.

Interim results from British Gas on Thursday will look fairly puny - they could even go into the red - next to the size of the company. British Gas's costs run more or less constant through the year, but its sales are all concentrated in the winter months, so interim figures do not mean much by themselves. The shares have been regarded with suspicion in some quarters because of the company's repeated bashes with the regulator and the prospect of looming competition. However, some analysts

prospect of fooding competition. However, some analysts recommend them for yield.

Predicting financial results at British Steel is proving to be a tricky job, partly because of uncertainties over exceptional items. Estimates for the half year, due on Thursday, differ by up to £100m. However, the majority are in the area of £350m to £370m pre-tax after exceptionals of about £50m.

Some analysts expect a healthy jump in the dividend by as much as 20 per cent. The main medium-term worry is weakening of some prices and a virtual halt to growth in the steel market which could result in a poorer second half.

Amersham International, the healthcare and medical products group which was the first privatised company, remains under the weather and the interim pre-tax profit could be down by as much as 30 per cent to £7.5m. A Japanese han on its products was still being felt in the first half, but at least that is over. Continuing worries centre on the slow introduction of the automated version of its Amerlite diagnostic machine.

Sales figures and prospects for Retrovir, the AIDS drug made by Wellcome, will dominate when it announces on Thursday results for year to August 31. The share price received a considerable boost when US trials indicated that Retrovir (also known as AZT) helps to slow the onset of the disease with people who test HIV-positive but who are not yet sick. That has led to analysts steeply increasing their projections of the numbers of people who will start taking the drug over the next few

pears.

Drug industry observers believe Retrovir sales are now running at about £170m a year, up from £90m in 1987-88. Some predict that revenues from the product could climb still more steeply to as much as £500m a year by the early 1990s.

Analysis think that Retrovir

- together with good growth from Zovirax, another large-selling medicine which is used for treating herpes — will make a strong impact on Wellcome's pre-tax profit for 1988-89. This is likely to be £280m to £300m, a healthy climb from the £221m for the previous 12 months.

Losses from Hurricane Hugo are expected to hit the ninemonth results from Commercial Union, General Accident and Royal Insurance, but analysts see euphoria over the future of US insurance premiums as exaggerated. Insured damage caused by the San Francisco earthquake was only \$960m and this year's catastrophes has taken only \$550 out of the US insurance industry's capital of \$1250m, probably not enough in itself to end the depression in primary insurance rates.

Royal has benefited most from expectations of better rates in the US and pre-tax profits should be up, reflecting the £112.4m strengthening of special claims reserves last year. The other two composites heavily involved in the US – CU and GA – both report their nine-month figures on Wednesday. GA is particularly exposed to losses from Hugo and also has to cope with NZI Bank

losses. CU is less vulnerable in the US and its European non-life operations have done well. Final figures from Burton Group, the fashion retailer and owner of Debenhams department stores, for the year to August 31, are expected on Thursday to show a small increase in pre-tax profits, from £210.1 to £220m, excluding "other income." The second half has proved tougher than the first, and without the benefit of the 53rd week in the previous financial year, a near 5 per cent profit increase will not be seen as too bad, given the sharp profit falls some rivals have suffered. However, analysts are concerned by Bur-

BOC Group, the industrial gases and healthcare company, is expected to report full-year profits of £330m on Monday, an increase of 9 per cent. Interest will centre on whether there are any signs of reduced demand for gases. On the healthcare side, analysts will want to know whether the Glasrock subsidiary has finally moved into the black.

ton's heavy exposure to fash

Thorn EMI, which reports interim results on Thursday, is expected to announce an increase in pre-tax profits of 10 to 15 per cent. Rob Collins of Kleinwort Benson, which is predicting £104m, says that most of the easy ways of improving profitability through recovery programmes and rationalisation have already been adopted. James Capel, which expects profits of £110m, thinks trading conditions held up quite well in the first half but will deteriorate in the second half.

Smiths Industries, the aerospace, medical systems and industrial products group, ought to enjoy a respite from anxiety about the engineers' dispute in the UK in presenting an expected pre-tax profit of between £107m and £110m (£97m) for the year to July 31. This should be achieved despite higher research costs and start-up expenses on the medical side. Through its substantial interest in the US, it will have been helped by currency factors, while strong cash generation means it has little to fear from high interest

Poultry disease and the summer scare about bothlism in yoghurt will have adversely effected the interim results of Unigate, the food and distribution group. Analysts are forecasting interim profits of between £43m and £45.5m for the half year to September 30, compared with £43.8m last year. The group faced a number of problems with the recovery in broiler chickens muted by gumboro disease, a virulent virus infection. Yoghurt suffered from a price war and volumes were affected by a consumer scare over botulism contamination at plant owned by a small independent pro-

Maxwell Communication Corporation, the publishing group, is expected to report interim pre-tax profits of about 558m on Monday. The results fall in the middle of an extensive disposal programme and only include a few weeks' contribution from Macmillan and Official Airline Guides — finally brought into the main group in August and September — which will make it difficult to assess the MCC's real performance. Analysts are expecting few surprises — but anything is possible where Robert Maxwell is concerned.

On Tuesday London Interna-

tional Group, the rubber and consumer products company, should announce profits of more than £17.5m for the half-year to September 30, compared with £14.3m in the equivalent period. The figures are expected to illustrate a continuing recovery from last year's problems in the US, which were caused by substandard raw materials and destocking of the group's condoms. The results will also provide the first clues about the effect of management changes in the UK and North America

over the last year.

Davy Corporation, the engineering and construction group, is likely to report a healthy order book on Wednesday, although the City will be keen to hear about margins, which have been under pressure in the sector. Davy tends to be very conservative in its reporting, taking the bulk of profits in the second half, so these interim figures will be very much a progress report. Analysts suggest pre-tax profits of about film and predict a full-year figure of £36m on turnover which will exceed film for the first time.

The City is bracing itself for a depressing set of results when Coloroll, the home products group, publishes interim figures on Thursday. Analysis expect a sharp fall in pre-tax profits from £20.5m to just over £10m. Coloroll has been hit hard by the impact of higher interest rates on the housing market and on overall consumer spending.

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Company	Announcement due	int-	Fine!	Ini,
PINAL DIVIDENDS				
BOC Group	Monday	5.85	6.0	6.3 <b>4</b> 2.8
Burton Group		2.4 2.34	5.46	2.81
Concentric	- Wednesday	234	1.25	96
Invicta Sound	Tuesday	•	1.234	
Jessups	. Monday . Wednesday	20	4.25	2.25
Store World	. Tuesday		•	
Metro Radio	. Tuesday	0.8	20	1.2
Scottish Cities Invest. 7st	. Monday	7.0	20.0	7.0
Smiths Industries	. Wednesday	2.25	5.25	3.25
South Green Holdings	. Friday	•	-	-
Stanhope Properties	Monday	-	0.1	
Tomkinsons	_ Tuesday	3.0	75	35
	Thursday	1,0	2.6	1.3
INTERIN DIVIDENOS				
AAH Holdings	- Wednesday	4.0	7.95	-
Allied Irish Banks	Wednesday	2.875	3.5	-
Ambrose Investment Trust	Tuesday	4.6B	8.73	-
Amersham International	_ Tuesday	3.5	7.5	-
Arien	_ Monday	1.1	2.2	-
Arlington Securities	<ul> <li>Wednesday</li> </ul>	1.8	4 2	-
Baltica Holdings	Tuesday###		8.0	-
Bank of Ireland	Thursday	4.0	5.5°	-
Blacks Lelaure Group		0.05	0.1 5.25	-
British Airways	- Wednesday	2.5 2.75	5.25 6.25	-
British Gas	- Thursday - Thursday	2.75	5.0	
British Telecommunications	- Thursday	4.25	6.2S	
Cater Allen Holdings	- Friday	5.37	18,13	-
Colorell Group	. Thursday	3.04	4.58	-
C I leike Assussess Co.	_ Wednesday¥	7.25	71.75	-
Cullen's Holdings	_ Monday	_•_		-
Davy Corporation	- Wednesday	2.5	6.0 2.5	-
Dunhiii Holdings	. Wednesday	1.25 1.47	3.6	-
Commercial that assaults of Collen's Holdings Davy Corporation Ownhill Holdings Electrocomponents Ericason (Telefonakt. LM)	- wednesday	1.41	10.5	
English Grown	Monday	20	4.0	
Erestin Group	. Wednesday:	15.5	28.5	_
Goldberg A & Sons	_ Friday	1.45	1 55	-
Great Portland Estates	. Tuesday	2.5	5.0	-
Heath CE Honda Motor Company	- Thursday	7.5	18.375	-
Honda Motor Company	Mongayes	6.0	7.5	-
Just Rubber	Tuesday	0.6	1.85	-
Land Securities	Wednesday Thursday	4.1 0.375	10.3 1.05	-
London International Group	Tuesday	2.35	4.9	
Marshalls	. Tuesday	2.25	6.5	-
Maywell Communication Com	Monday	60	6.0	-
Mever International	. Tuesday	4.0	11.0	-
Owen & Robinson	. Monday	0.5	1.0	-
Personal Assets Trust	. Friday		1.0	-
Regaliza Properties	Wednesday	1.5	25	-
Hoyai insurance moidings	_ I MUTSGBY®	9.5	13.0 2.7	-
Shaw Arthur & CoShires Investment	Friday Thursday	1,1 3,35	2.7 5.45	-
600 Group	. Thursday	246	3.74	-
Sketchiev	. Thursday	6.5	14.4	-
600 Group Sketchley Stratton Investment Trust	. Monday	-	0.43	-
TDS Circuits	. Wednesday	-	-	-
Thames Television	. Tuesday	4.75	10.25	-
Thorn Chil	The weetless	7 6	10 5	_

"Dividends are shown not peace per share and are adjusted for any intervening scrip issue. \$\Pi\$ Spec. interion.\(\frac{1}{2}\) 3rd quarter figures. \$\Pi\$ Figures in Danish known.\(\frac{1}{2}\) Swedish Krona.\(\frac{1}{2}\) Per share gross.\(\Phi\) Combined total of 3.5p socond interior dividend in respect of the year ended 31/3/89 \(\frac{1}{2}\) additional dividend of 5.0p in respect of the year 31/3/86 out of the undistributed profits of that year.\(\Phi\) 2nd interior dividend.\(\frac{1}{2}\) Japanese yen.

PRELIMINARY RESULTS								
							Dividendar per strare (p)	
Assoc. Brit. Inde. Bellway Bellway J & Sons Clydeadale Beak Daks Simpson Drayton Consd. Gleeson MJ Group GR Holdings Hattleid Estates	June Aug	5,300 5,200† 11,630 7,260 2,640	(1,800) (14,060) (30,180) (39,700) (6,200) (4,5101) (10,030) (1,590) (2,190)	51.3 41.2 16.6 51.4 15.0 74.7 34.0 23.3	(49.5) (35.1) (18.4) (-) (61.8) (13.0) (70.6) (9.6) (20.2)	9.25 11.0 8.5 10.9 15.0 9.36 32.15 4.25	(3.0)	
London & Strath. Meriin int'i. Riva Group Totienhem Hotsp. Williamson Tea	Aug June June May June	1,240‡ 1,000 1,480 951 3,160	(876‡) (8,100) (1,210) (1,930) (3,120)	6.2 - 8.4 8.6 55.5	(4.35) (18.7) (7.5) (18.1) (48.1)	4.8 2.0 3.0 5.0 25.0	(3.7) (4.0) (-) (6.0) (20.0)	

INTERIM STATEMENTS					
Company	Helf-year Pre-tex profit Company to (1909) p				
Anglo Group	Sept	4,700	(3,870)	1.65	(1.5)
Appleby Westward	Sept	1,030	(796)	2.5	(2.0)
Assoc.British Foods	June	111,300	(89,300)	3.3	(2.6)
Simec industries	Sept	904	(59 L)	0.33	(-)
Body Stop Int'L British Petroleum 🔆	Aug	5,320	(4,070)	0.83	(0.45)
British Syphon Inds.	Sep## June	284,000 1.110	(402,000) (2,990)	3. <del>6</del> 55	(-)
Cabre Estates	June	4.430	(2,880) (5,550)	1.25	(2.02) (1.0)
Ceitic Gold	June <b>o</b>	76 L	(5.550) (59 L)	1-63	(1.0) (-)
Elan Corporation	n/a <b>Y</b> ©	1.330	(258 L)	_	2
Fleming Far Eastern	Sept	1,2401	(1,220f)	0.2	(0.2)
GEI International	Sept	2.950	(2.520)	2.35	(2.14)
German Smaller Co.	Sept •	403	(400)		(-)
Gieves Group	July	949	(847)	1.5	(1.2)
Glamar Group	Sept	677	(10)	0.75	(2.0)
Grand Central Invest	June	645	(431)	0.35	(0.35)
Hadleigh Industries	Sept	660	(499)	2.0	(-)
Henderson Admin.	Sept	10,700	(4,260)	10.0	(7.0)
Hughes HT	Aug	1,400	(1,069)	1.32	(1.1)
JS Pathology McInerney Properties	Sept	2,040	(1,900)	1.8	(1.8)
Oceana Development	June <sup>©</sup> Sept	1,880	(1,840)	1.5	(1.5)
Oxford Instruments	Sept	220 9.366 <del>11</del>	(251)	:	(-)
Parkland Textile	Sept	1.480	(4,776) (1,370)	1.2 2.2	(1.0)
Platon International	Sept	165	(134 L)	_	(2.0)
Portsmouth & Sunder.	Sept	3.020	(3,290)	2.26	(-)
Renold	Sept	4.000	(2,300)	1.2	(1.51) (0.8)
Rothschild J Hidgs.	Sept	58.500	(43.500)	5.0	(4.0)
Royal Dutch/Shelf 44	Sep##	667,000	(837.000)	-	(-)
Safeland	Sept	1.980	(1.030)	1.6	(0.67)
Salnsbury J	Sept	215,100	(186,400)	1.75	(1.5)
Sanders & Skiney	Sept	366	(364)	23	(2.3)
Ship Mortgage Fin.	Sept	648	(626)	-	(-)
Staveley Industries	Sept	8,900	(8, 100)	2.1	(1.9)
Storehouse Tie Rack	Sept	8,700	(23,600)	2.5	2.5
Transrep Holdings	Aug Sept	272 L	(374)	0.46	(0.48)
URS International	June≱ Sept	439 730 L	(433)	1.0	(1.0)
Warner Howard	Aug	2.310	(892°L) (2.060)	-	(-)
Yale & Valor	Sept	25.900	(21.580)	1.56 3.9	(1.3)
(Figures in parenthese			(21,30U)	J.5	(3.45)
*Dividends are shown	net cocco	е соптевр	onding per	10G.)	
indicated 1 = loss + N	nor beace	भूग जाशा	, except v	mere c	inerwise

"Dividents are shown not pence per share, except where otherwise indicated. L = loss.† Not revenue.‡ Revenue before tax.# US dollars & cents.º Irish punts & pence.♥ Not profits/deficit.♠ Total revenue.♠ Last years figures for a 9 month period.†† Profit includes asset disposal of £5.35m.‡† Not profits on a current cost basis.‡‡ Third quarter figures.§§ Quarterly dividend.

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OFFERS FOR SALE, PLACINGS
AND INTRODUCTIONS

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COMPANY NEWS SUMMARY	
TAKE-OVER BIDS AND MERGERS	
Company bid per Harket before of bid bid for share" price" bid bid company	Skider
Prices in pence unless otherwise indicated restrong Eq. 186" 183 176 98.45 Conservations	
teradon) 550§§ 533 488 337.70 MB Gr	i inde. Cup
RG 590° 587 595 697.00 Pembri	dge Inva.
T. Info. Tech. 45 44 25 19.97 April 20	all Tail.
eguer 850 826 747 1.6bn Ford	-
earl Group 605°S 637 552 1.1bn AMP ces Catheral 253° 244 161 95.59 1.1bn	

(Md. Scientific. 118 118 147 65.68 Meggint All cash offer.11Cash alternative. Partial bid. 5For capital not already held. (URL conditional. "Based on 2,30pm prices 10/11/89.1At suspension. (§5)hares an cash.

#### FINANCE & THE FAMILY

Andrew Hill filters through the prospectus on the water and sewage companies

# Divining among the small print

ANY POTENTIAL investor in the water companies wanting to spend a few weeks in the picturesque north east of England will be pleased to learn that Northumbrian Water owns 17 log cabins at its Kielder Water reservoir, avail-able for rent all year round. Industry analysts have spent the last week sifting the 608page pathfinder prospectus on the 10 water and sewage busi-nesses of England and Wales for investment hints. They may have missed the log cab-ins – one of Northumbrian's

"other trading activities". but they will not have missed Come impact day on November 22 — when the price and, more importantly, the yield of the 10 companies are disclosed - everyone will have access to the colour-coded final prospec-tus, which should be available from High Street banks or post offices shortly afterwards. If you have already regis-tered with the share informa-tion office – the final deadline is next Wednesday - you will automatically receive the slim-



**PRIVATISATION** 

line mini-prospectus, as well as being eligible for a range of

The mini-prospectus will be 30 or 40 pages long - shorter than the individual company sections in the main document with three or four pages of "key information" on each

The full prospectus contains something for everyone to chew on. The investment community's sceptics pick on the parlous state of British sewers, disclosed in the document (the companies suggest some 20 per cent are in danger of collapse). Critics also draw attention to the danger of cost overruns, pointing out that most compa-

nies have examined only a sample of their sewerage sys-tem as a basis for estimating future capital spending.

For example, North West, one of the only companies to quantify its sample, has ear-marked more than a quarter of its known capital expenditure of £4.3bn over the next 10 years for improvement to its sewerage network. That estimate was based on a sample of less than 20 per cent of its drainage areas carried out more than

two years ago. Political observers have detected in the prospectus traces of resentment in some companies (Wessex and Thames, notably) about the level of pricing limits for the next 10 years - set by the Gov-ernment this summer after long and, at times, acrimonious negotiations with the com-

Thames says its forecast profit for 1989-90, of at least \$170m, will be less than the comparable figure for 1988-89 because of a smaller contribu-tion from land sales "and the fact that the average increase

Lowland Investment Trust, and the rest will go into a

WATER PROSPECTUS:
FIGURES STILL TO BE DISCLOSED
Offer price, and size of second and third instalments

Number of shares to be issued in each company
Trivatisation expenses incurred by each company
Privatisation expenses incurred by each company
Percentage of shares reserved for employee share schemes PLUS EXACT FIGURES ON:

■ Percentage to be sold
■ Percentage underwritten
■ Percentage to be offered overseas

■ Clawback arrangements ■ Percentage of shares saved to "top up" registered customers'

Water's Thames charges ... was limited by the Government to a level below that required to cover

below that required to cover the increases in its costs..."

Speculators will search in vain for any suggestion that surplus assets could be sold, realising windfall profits for shareholders. Under the Water Act, property and land profits have to be split 50-50 with the consumer, who would benefit through lower water charges.

The prospectus confirms that all the water companies have surplus land — amounting to as much as 7,000 (mainly agricultural) acres in North

ing to as much as 7,000 (mainly agricultural) acres in North West's region. But it also reinforces analysts' predictions that the value of such land will be "immaterial" or "insignificant." As for benefits to be won from redeveloping surplus properties (at Yorkshire, Wessex, South West, Severn Trent, North West and Northumbrian), they have to be taken brian), they have to be taken into account by the economic regulator when setting future price limits.

The regulators – the National Rivers Authority and, in particular, the director general of water services, Ian Byatt - emerge as the central characters in the slightly turgid drama of the water pro-spectus, whether they are "imposing rigorous new disci-plines" (Northumbrian), or

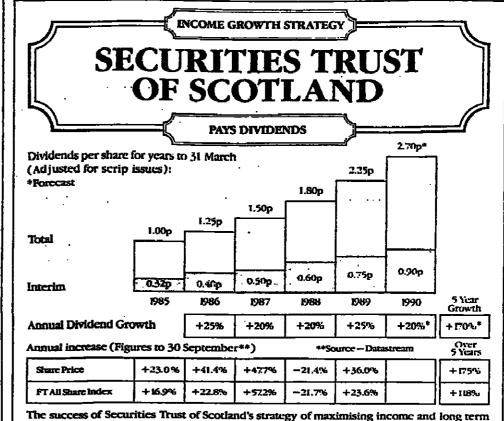
"exerting upward pressure on costs" (North West). In spite of these concerns. most of the companies say they "take comfort" in the position of the director general. As advocates of water privatisation do not tire of telling the potential investor, he has a duty to ensure the core water businesses are adequately financed so that they can carry

Deadline for registration with the Water Share Information Office is November 15. Telephone: 0272-272-272

out their functions.

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**FINANCIAL TIMES** 



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## John Edwards on a new trust Loophole in **PEP rules**

TOUCHE REMNANT has put together an unusual package to take advantage of the loophole in the Personal Equity Plan (PEP) regulations that allows the maximum of £4,800 to be invested in a new issue of an investment trust. The initial issue of Touche's **High Income Investment** Trust, launched this week, consists of a package of five ordinary shares, plus a special subscription share that has

its own dividend entitlement. At the issue price of 100p each the five ordinary shares will offer a dividend yield of nearly 8 per cent. But in addition the subscription share will have an annual fixed dividend of 1.5p. equivalent to a gross yield of 10 per cent on the issue price of 20p. Put together this means the investor will receive a total initial yield of 8.07 per cent gross on the

520p package. The subscription share is very similar to a warrant in that it offers holders the right to subscribe for an extra ordinary share at 100p anytime between 1991 and 1996. The unusual feature is the addition of a small considered to be appropriate for an income fund.

At least 75 per cent of the portfolio will be invested in UK equities, with the balance in UK convertibles and fixed interest stocks. So it will rank

as a qualifying investment for PEPs. The offer, which seeks to raise £15m (although £11.5m. has already been placed) will close on November 24 and the allocation date will, therefore, be on November 29 or 30. Under PEP rules investors have 30 days from the allocation date to take in new issues at the original Issue

The trust will have an initial life of seven years, giving shareholders a chance to wind it up if the performance is unsatisfactory in 1997 and five-year intervals

management charge of 0.5 per cent of the trast's value, plus the normal share dealing

launched its first Investment Trust PEP, but it is a good deal more expensive. Under its scheme, which takes advantage of the 1989 PEP regulations, up to £7,800 can be invested before the end of the year. The bulk of the money will go into the

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

selection of five UK company shares. There is an initial charge of 5 per cent, plus an annual management fee of 1.5 per cent. However dealing charges are only 0.25 per cent. Henderson has also introduced what it describes

introduced what it describes as a European PEP. This invests in two of the group's European unit trusts, plus a selection of UK companies, which derive a significant percentage of their earnings from within the EC. This seems at odds with the PKP regulations confining the

bulk of investment to UK shares. But the group is exploiting the Treasury concession allowing up to £2,400 to be invested in overseas unit or investment trusts until April next year, when the amount will be reduced to £750. It will adjust the portfolio accordingly as with the regulations.
Meanwhile, investors

interested in the water privatisation issue may be wise not to commit themselves to a PEP scheme at this stage. As mentioned under the PEP regulations you can transfer new share issues into a PEP at the issue price, sheltering any gains made from tax.
There are likely to be a
number of special deals on
offer during the next few
weeks. For example, I.A.
Pritchard Stockbrokers, of appounced it is making no initial charge for investors wishing to hold water shares

only in its PEP and the annual

charge is just 0.7 per cent.

Ring 0800 400 467 for an information pack about the special opportunity for investors in the Nomura Global Fund Asia Pacific Portfolio.

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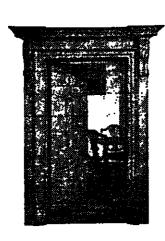
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#### EXPATRIATES

# Hoping for a Riyadh refund

THOUSANDS OF former refund from GOSI which was expatriates who worked in Saudi Arabia during the 1970s and 80s are experiencing mixed fortunes in their efforts to reclaim payments they made into the kingdom's social secu-

rity system. Expatriates who worked in Saudi Arabia from February 1973 onwards used to pay 5 per cent of their salary into The General Organisation of Social Insurance, which provided pen-sion benefits and cover for industrial injuries. Payments were made through employers, who were also required to

make contributions. However, in March 1987 Saudi Royal Decree M/43 put an end to the requirement for non-Saudis to contribute to GOSI for pension benefits, effectively excluding them

from the benefits.

During the last couple of years non-Saudis who paid into GOSI have been applying for refunds — with varying

degrees of success. Colin Parsons, a maintenance engineer now living in Wales, left Saudi on a one-way ticket in June 1987 after having worked in the kingdom for 17 years. He takes up the story. "Before I left, I obtained a copy of the computer print-out (in Arabic) of my contribution record from the local GOSI office, which tallied with the record from my pay stips."

In September 1987 he wrote to the GOSI branch office in

Dammam and, about 10 wee later, received a reply bearing a claim reference number to be

a ciam reference number to be used in future correspondence. Nothing happened for more than a year until, in November 1988, Parsons wrote to the main GOSI office in Riyadh enclosing photocopies of his recepted and GOSI cord. Then passport and GOSI card. Then, quite suddenly, in March of this year, he received his full

sent by registered mail. It amounted to \$34,000 (\$21,500). Parsons is well satisfied with his treatment. As he puts it: "All correspondence was in plain English. There were no dure was set up, my claim was settled promptly and courte-

But not everyone has found the system trouble-free. Mark Roberts from London worked in Saudi for more than two years in the early 80s. At the start of 1989, shortly after he heard that GOSI refunds were on offer, he sent copies of his documents to the GOSI head later he is still awaiting an acknowledgement, even three months ago. He is antici pating a refund of something between "a few hundred pounds and a couple of thou-

Meanwhile a Weekend FT reader in Cardiff has calculated that his GOSI refund in respect of seven years' contributions should amount to a sizeable five-figure sum. Like Roberts, the Cardiff reader has been waiting the best part of a year for a reply from the GOSI head office in Riyadh.

He is now thinking of using the services of one of several UK-based agencies which offer to try to reclaim money on behalf of expatriates in return for up to 10 per cent of the takings. Some Saudi practising ens for GOSI refunds

Colin Parsons concedes that me claimants might consider it a bargain to pay several hun-dred pounds to a third party for the privilege of getting back their own money. How-ever, his advice is - try it your-



and a 42p postage stamp." He adds: "If all else fails then contact the intermediaries. They'll still be waiting to share the

The process of actually get ting money back does seem frustratingly slow but, according to the Saudi Arabian embassy in London, delays are the result of GOSI in Riyadh being swamped by applica-

An embassy spokesman explains there could be as many as 2m refund applica-tions in the pipeline from for-mer expatriates who have now returned home either to the UK or to countries such as the US, India, the Philippines and Thailand.

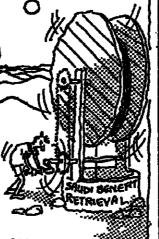
Comfortingly, there is no suggestion that the Saudia have reneged on their promise of refunds. The embassy stresses that there has been no

change of policy. Embassy advice is that expa triates who may be entitled to a refund should write to the Director General, Overs Benefit Department, General Organisation of Social Insurance, PO Box 2963, Riyadh 11462, Kingdom of Saudi

Applicants should provide their name and permanent address as part of a letter of application for a refund and enclose a photocopy of the pages of their passport show-ing personal details plus their Saudi entry and final exit visas. Applications written in Knglish are acceptable. There is no need to provide an Arabic

expect a long wait before their funds are processed. It could take a year or more even to have the claim acknowledged.

Peter Gartland is Editor of The International, the FT's



GIVING HAS become an expensive habit once again.
Until this year's Budget, giving was encouraged and wealth could be passed from generation to generation without pay-ing any tax - provided it was

done early enough. For nine years it has been possible to make substantial gifts without paying capital gains tax. However, CGT relief on gifts was removed in this year's Budget: now gifts are treated in the same way as sales at market value, and even though money has not changed hands you will still be

liable to pay tax.

The elderly, who had already been discouraged under the new inheritance tax rules, are now even less likely to pass on their wealth. At the moment, if you make a gift and die within seven years, inheritance tax is payable on your death while CGT is liable on the gain when

you make the gift. So what can be done to mitigate this potential double tax charge? Here are a few tips:

Do your tax planning when you have cash available, rather than assets, so that no CGT is payable on the gift. It is

better to give cash gifts, which are not liable to CGT, and let the recipient invest it and make the capital gain rather than for you to invest the money and make the (potentially taxable) gain yourself; ■ Don't give away, before our death, your assets which your death, your assets which have increased most in value. Instead bequeath them in your will, since there is no CGT pay-able on your estate on death. Your property on death acquires a new tax-free "date of death" value which wipes out all the gains to that date. ■ If you are non-UK resident (or about to become one) do

In some cases it may be possible to devise ways of saving both CGT and inheritance tax by using trusts. The difficulty is often getting the property into the trust without paying tax of one sort or another. This will depend on other reliefs each case, and property already in trust will also be

affected by the new rules on

your tax planning then since CGT is not payable by non-UK

Depending on the type of trust, it may be possible to save substantial amounts of tax. But how does one go about this? First have your trust ana-

Caroline Garnham's tips on sharing wealth wisely

How to give to

you and yours

lysed to find out the following What type of trust is it? Is it accumulation and maintenance, interest in possession, or discretionary? Different trusts pay tax at different rates. Interest in possession trusts pay CGT at 25 per cent, while discretionary trusts and accumulation and maintenance settlements pay CGT at 35 per cent, and individuals can pay

tax of up to 40 per cent.

Is the trust a hybrid? Will one type of trust follow another: for example, if income is accumulated until your chil dren are 18 and then paid to them until they are 25 (which is a very com trust) you could have an accu-mulation and maintenance trust followed by an interest in

aion trust ■ Do the trustees have the

#### EXAMPLE

house worth £360,000, which was worth £100,000. If Jenkins gives the house to his son. months of making the gift, the tax on the property could in much as £230,000 (nearly 64 per cent) as a result of paying both capital gains tax and inheritance tax.

The capital gains tax liabli-ity, incurred when the gift was made, would be £36,000. This is calculated by deduction from the current value of £360,000, the value in 1982 of £100,000 plus the Indexation £45,000. Add these two and the amount liable for cap-ital gains tax would be £215,000. At the highest rate ( 40 per cent) capital gains tax liable would be £86,000. inheritance tax, payable on

been used up, would be £144,000 (40 per cent of Adding CGT of 286,000 to inheritance tax would produce a liability of £230,000.

death, assuming that exemption of £118,000 had already

power to change the trust from one type to another?

What are the trust assets? Are there unquoted shares, or shares in a family company and if so, what percentage o the company does the trust

The next thing to do is see if any of the special reliefs are available. There is a relief for payments out of an accumulation and maintenance settlement. The beneficiary can take the trust fund at the trust acquisition cost rather than the market value, thereby

deferring the CGT. There is another relief available for gifts of unquoted shares, 25 per cent holdings in a family company and business assets. The relief is similar to that available for transfers out of an accumulation and maintenance settlement in so far as the trust gain is held over and not taxed until a later date.

Finally, the different rates and reliefs have to be carefully mixed to produce the most tax-effective, practical result. For example, CGT can be deferred by making a payment to a beneficiary from an accutrust. But would this be tax efficient? If the beneficiary is a 40 per cent tax payer, the trust-ees will have exchanged a 35 per cent rate for a 40 per cent

Alternatively, there may be ower in the trust to change it from an Accumulation and Maintenance trust into an Interest in Possession trust.

Then, even though you will lose the relief when a payment is made to the beneficiary you will have moved from a 35 per cent trust to a 25 per cent

ideally, the taxpayer would prefer to pay no tax at all. This can sometimes be achieved by "emigrating" the trust and making payments to a non-resident beneficiary.

Giving is certainly more expensive than it used to be, but the decision now is not whether to pay, but to whom and how much — do you prefer to pay tax to the Inland Reve-nue or fees to your tax advisor

Caroline Garnham is a tax partner with London solicitors, Taylor Joynson Garrett

# IAPAN

#### INVEST WITH SUCCESS

TOP PERFORMING OFFSHORE FUND IN THE WORLD OVER THE ONE YEAR Lipper Fund Performance Tables (2nd Oct 1989)

TOP PERFORMING OFFSHORE JAPANESE **EQUITY WARRANT FUND OVER 3 YEARS** Micropal (to 2nd Oct 1989)

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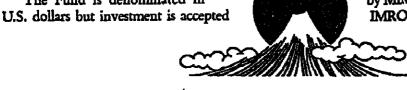
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Registered Office: 14 Rue Aldringen, Luxembourg — R C Luxembourg B24400.

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"Source: AFTC to 30th September 1989.
Past performance is not necessarily a guide to future performance.

Baillie Gifford (T/follow) Financial Times 250 x 185mm 4th Proof 8.11.89. Draughthorse 28894 - Misc. 68/02 [B] F1 Two years ago, my father line fact, made), relief might be gifted me 15,000 BTR shares. Since that time I have opted to take shares instead of dividends and my portfolio now consists of 15,887 shares and 472 warrants. I am proposing to transfer this holding to my wife — who has no earned income and investment income of less than £200 per annual — before the end of this tax year. On the basis of present legisla-

On the name of present regardation, could you advise:

1. That there will be no CGT payable on the transfer.

2. That if my father (now 82) survives until September 1994 the gift of 15,000 BTB shares will not form part of his estate for purposes of calculating inheritance tax.

3. That my wife will be able to claim payment of the tax credits associated with any BTR dividends paid after April 1990 (assuming her total exceed her personal allow-

4. That CGT will be psyable only when my wife disposes of the shares; and that the CGT calculation will be based on my father's original acquisi-tion cost (relating to the origi-nal gift) and the notional issue price of the shares issued in lieu of dividend since Septem-# L Yes

2. Yes
3. Yes (provided, of course, that the dividends are not credited to a joint account or an account upon which you have power to draw, and that it can be established clearly that you will not derive any indirect benefit from the dividends or from the proceeds of ultimate

from the proceeds of ultimate sale etc).

4. Yes, to the first part of the question. We cannot answer the second part of the question without knowing the full history of your father's shareholding (assuming that you mean that you and he made a joint claim for gift-holdover relief, under section 70 of the Finance Act 1980).

- 'T 74:

122

- 174 - 174

If your father acquired the shares before April 6 1982 (and

made within the two-year time limit).

#### No case for stamp duty

I am in the process of buying my mother's house, valued at £58,000. I am receiving a building society mortgage of £30,000 and this is the only money I will be paying to my mother. Therefore, the transaction incorporates a gift ele-ment of £26,000 from my mother to myself. My legal advice is:

a) Purchasing a house for £30,000 does not attract stamp

duty.
b) A gift of £26,000 does not attract stamp duty. c) Purchasing a house valued at 256,000 for £30,000 may attract stamp duty of £580, but no precedent to confirm this can be cited.

an se then.

As stamp duty is payable on consideration, not value, we think that you can certify at \$30,000 and pay no stamp duty.

Must I liquidate?

I am the holder of all the share capital, save for one share, of a private closed company. For many years, until 1983, its business was in property investment holdings. Since the sale of its properties in 1983, its balance sheet consisted merely of cash at bank and no

liabilities There is accordingly no further point in keeping the cou-pany active and I would like to liquidate it and distribute the cash assets in the usual way. It am, however, informed that I am obliged to employ the services of a liquidator for this purpose and that he must be an individual who is a designated incolvency wractitioner. nated insolvency practitioner.

I-am rejuctant to do this as quite significant fees will be involved. Cannot a "non-desig-nated" qualified chartered accountant be the liquidator or is it absolutely mandatory to engage a specialist as the matter is completely straight-forward and uncomplicated?

■ You might find it simpler to effect payment out of the money held by the company by way of dividend and then to let the Company be struck off the register as a defunct company pursuant to Section 652 of the Companies Act 1985. You cannot be sure of achieving this if the Registrar of Companies seeks to require you to make returns under the sanctions available to him, but in the case of a company such as you describe failure to make returns should lead to striking

#### Tax: where is the logic?

On his death some 30 years ago, my father left the family house to his three children equally, but my sister was to have a life tenancy, rent free. She was enabled to change houses, any cash balance to be invested, the interest to go to

Probate was granted and death duties duly paid.

I am now advised that on
my sister's death, there is no
liability for capital gains tax
but inheritance tax will be

This I find difficult to accept.

My father cannot die twice.

My sister was not left the property with any provise that she was to leave two thirds to my brother and me on her

I can accept the logic of CGT, but any logic in inheritance tax escapes me.

The current situation is that my sister lives in a property worth some £85,000 and there is a cash balance of some

£70,000. (Probate value of the

family house in 1959 was some £10,000). ■ As your sister will have held an interest in possession the value of the house will be included in her estate by deem-

ing her to have owned it immediately prior to her death.
Inheritance tax will be calculated as on her estate, not your father's. We cannot vouch for any logic in taxation provi-sions. However you and your sister might wish to give some thought to her rele life interest so as to make a

#### Special tax provision

potentially exempt transfer.

I am a widower, aged 86, and just over a year ago I trans-ferred by way of gift my house (value about £100,000) to my two unmarried daughters who two unmarried daugnters who are living with me and now attending to my wants, and also contributing towards the costs of running the house.

I understand there is a special provision in a case like this exempting the transfer from inheritance tax?

■ As the first £118,000 of your estate is not chargeable to inheritance tax the gift to your daughters will not give rise to any inheritance tax. Moreover, if you survive the gift by seven years it will not even count towards the first £118,000 (or the then equivalent) which is rated at nil charge.

#### Running a family trust

I am the life tenant of a family trust which brings in about \$700 after tax. In the original will I was appointed trustee, together with the solicitor. My children are the remainder-

men.
Some years ago, when our solicitor retired, the position of second trustee was filled by

The state of the s

# BRIEFCASE

a partner of his and the legal costs of effecting this transfer were substantial. Now the partner is retiring, so my que-

1. Does he have to be 2. Could my accountant fill the position? 3. Could one of my children

say my son now 30, take on the position? (and we would run it with the help of our ■ It will be necessary to replace the trustee, but you can have either your accountant or your son appointed, if

#### Query on share plans

My inquiry is in respect of capital gains tax on share option savings schemes. I have two schemes which will expire shortly, one is over five years, the other over seven years. Under both the monthly pay-ments are £50. In addition to the amounts subscribed, there are a number of months interest bonus. If I sell my shares:

1. Is CGT payable?
2. If so, are the bonus

months interest excluded from any taxation? 3. How is index-linking applied over the savings

■ A free pamphlet on SAYE share option schemes is obtainable from your tax inspector's office: ask for IR38. You may also like to ask for pamphlet CGT13 (1989) - the indexation allowance for quoted shares. The answers to your questions

1 Yes.

2 Yes.
3. There is none, unfortunately, except on the cost of the original option (which was presumably very small). Index-ation starts from the month in which the option is exercised, on the exercise price.

#### Wrecking the view

I live in a village and my new neighbour, a teacher, has a hobby of renovating old cars. He stores these — they can only be described as "wrecks" — on a piece of his own unscreened land adjoining a anall river opposite my house, in full view of my lounge window and in full view of the whole village.

Approaches to him to move them have been to no avail. Is there anything I can do either legally or through the local council to remedy this eyesore or must I just put up with it? while there is nothing that you can do in law to require the "wrecks" to be removed or screened, you might be able to enlist the support of the local authority's Environmental Health Department. This may require a diplomatic approach, since there is probably no basis on which you could require the local authority to intervene.

# Do make a French will

When my wife and I recently bought a holiday home in France, the notary advised us that special French wills were unnecessary. He maintained that as long as we were domi-ciled in England, the French property would be disposed-of on our deaths in accordance with English law. This is con-trary to the advice given by other experts, including one who wrote recently to Brief-case. They suggest that a French will is at least a wise precaution.

■ We do advise the making of French wills. The laws relating to immovable property are gov-erned by the laws of the coun-try where that property is situ-

#### When a gift is best

My wife and I jointly own our house as tenants in common in equity. Its value is about £160,000. We have each made a will leaving our respective interests in the house in trust for the joint benefit of our two children. In the event of the death of either of us, the survivor is given the right to reside

in the house, subject to the cost of all outgoings. The whole property would pass to the children on the death of

The wills were made two years ago by a solicitor with the object of excluding a halfshare of the house from the estate of the survivor for purposes of inheritance tax. However, my attention has been drawn to some circumstances in which there is a possibility of the Inland Revenue claiming that the continued occupation of house by the survivor constitutes a beneficial inter-est in the whole property.

Does the possibility exist in this case? If so, would the entire value of the house vould revert to the estate of the survivor? I am over 80 and my wife is approaching 70.

■ The possibility to which you refer does indeed exist, and you should consider re-casting your wills so as to make an outright gift to the children of less than the testator's half share in the house, leaving part of that share to the surviv-ing spouse. In that way, the surviving spouse can claim to live in the house as the owner of the majority share in it, not under the terms of the gift to the children.

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combined interim report and full investment details to help you make your money work harder.

#### Required reading

The figure of £2,212 is based on the daily Amsterdam Stock Exchange share prices converted into sterling at the then prevailing exchange rates, and including reinvested income before taxation.

No account has been taken of dealing costs, which will have an additional effect on the net return to an investor and should be ascertained from the intermediary before an investment decision is taken.

This information is not directly comparable with other investments, especially United Kingdom authorised unit trusts.

(Please remember that past performance isn't a guide of future returns, and that the value of our shares can fall as well as rise. Accordingly, investors may not get back the amount invested. In addition. changes in the rates of exchange between currencies may cause the value of your investment to diminish or increase.)

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Europe's Leading Investment House

# THIRD QUARTER RESULTS A good increase in profit attributable

attributable of 15% over the corresponding period last year (at constant exchange rates). Operating profit was significantly helped by a contribution from the newly acc

profit attributable was neutral. In Europe an increase in operating profit of 18% included another excellent result from the Frozen Products business, particularly ice cream. In North America operating profit also rose by 18%, benefiting both from the effect of acquisitions and from contributions from our Personal Products and Detergents businesses. In the Rest of the World we made satisfactory progress in most territories,

with notable performances in Brazil and India. In comparison with the third quarter last year,

The third quarter produced a good increase in profit interest costs rose mainly as a consequence of borrowing for acquisitions. The effective tax rate returned to a more normal level.

At end September exchange rates the increase un pront attribu

quilders and 9% in dollars. **DIVIDENDS** The Boards today declared interim dividends in respect of 1989 on the Ordinary capitals at the following rates which are equivalent in value at the rate of exchange applied in terms of the Equalisation Agreement between the two com-

PLC per 5p Ordinary share -N.V.

4.51p (1988:3.89p)

Fl.1.37 (1988: Fl.1.23) per FI.4 Ordinary capital --

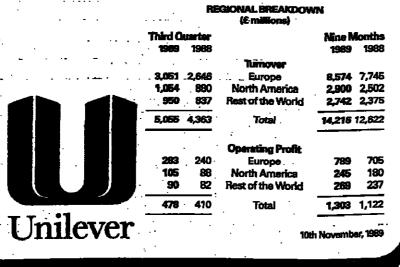
Third Querter				Nine	•	
1989	1988	Increase	£ millions (unaudited)	1989	1988	Increase
5,055	4,363	16%	TURNOVER	14,216	12,622	13%
478 .	410	_ 17%	OPERATING PROFIT	1,303	1,122	16%
8	14		Income from fixed investments	42	37	
(59)	(36)	_	interest (net)	(131)	(82)	
427	388	10%	PROFIT BEFORE TAXATION	1,214	1,077	13%
(165)	(163)		Taxation on profit of the year	(490)	(444)	
(1)	(1)		Taxation adjustments pravious years	1	(1)	
(12)	(8)		Outside interests	(34)	(29)	
249	216	15%	Profit attributable to shareholders	701	603	16%
	•		Difference on translation of 1989 results at end	• .• •		
15		- · ·	September 1989 rates of exchange	35		
264	216	22%	PROFIT ATTRIBUTABLE TO SHAREHOLDERS	736	603	22%
14.140	11.57p	22%	Combined earnings per share — per 5p of ordinary capital	39.40p	32.30p	22%

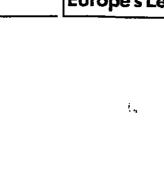
Dividends II The PLC interim dividend will be paid on 29th December, 1989 to shareholders registered on 8th December, 1989. 

The N.V. interim dividend will be payable as from 21st December, 1989, C. For the puspose, of equalising PLC's and N.V.'s dividends under the Equalisstion Agreement, the Advence Corporation Tax ("ACT") in respect of any dividend paid by PLC has to be treated as part of the dividend. PLC's 1989 interior dividend now ennounced has been calculated by reference to the current rate of ACT (twenty-five/seventy-fittis); if the effective rate applicable to payment of the dividend is different the amount will be adjusted accordingly and a

further announcement made. ites 🗆 The provisional results for the fourth quarter and for the year 1989, and the proposed final dividends in

For copies of Unitever results statements, please write to: External Affairs Department, P.O. Box 68, Unilever House, London EC4P 4BQ.





#### MINDING YOUR OWN BUSINESS

THE FIRST THING most people consider when they think about starting a business is selling a service. The number of inventors who have a bright idea for a new tin-opener or other piece of assorted hardware, and have the determination to carry through the idea to the manufacturing stage, is actually very small.

number of people confident they can provide a better and more competitive service than others if they can get started in a pub, a shop, a small hotel, or one of the countless other outlets for service that exist nowadays.

But there is a THIRD category of people. They are the ones who go into small business ventures to sell specific skills. Their approach is nearer to

selling a product than a service.

None of the four people whose new careers are described here this week started their professional lives with an ambition to go into business for themselves. Ewa Zarkowska and John Clements were working in the public sector as clinical psychologists for the National Health Service and London University. Peter Dart and

Mark Sherrington were following a route to the top of the corporate tree as career managers in a multinational

It would be hard to think of four people less likely to turn up on this page talking about starting their own small businesses. Yet, all have given up safe jobs to do just that. They

# The high-flyers who turned their back on corporate compromise

in a Hamburg bar one night that Peter Dart, 36, and Mark Sherrington, 33, decided to jettison the corporate life and set up a two-man marketing business of their own. "We were young men feeling old that night as Unilever marketing directors," admits Dart. "All business which we had known, selling and marketing round the world, was beginning to leave us for the corporate life." Sherrington puts their frus-

trations more vividly. "In a large corporation, it can be like trying to score a goal - but first having to get the ball past 10 of your own players." Dart adds: "We decided then and there that life is not a rehearsal and we should go out and work for outselves.'

Leaving a well-paid staff job is not easy. But they reinforced each other enough to go though their resignations were accepted with reluctance by considerable investment in them as management material.

A year later, they are working from the upper floors of a converted house in Teddington, south-west London, as the joint owners of The Added Value Company. Their stock-in-trade is straight mar-keting. They have tackled 61 separate projects so far for a fast-growing client list and the cash flow is looking good.

Sherrington read economics and sociology at Bristol University. Dart read physics at Oxford and was also a musician. "With two such widely differing career choices facing me," he says, "a wise career adviser asked me: 'Have you thought of marketing?"

Both men followed the same path, entering Unilever through the company management scheme designed for high-flyers. It was, they recall, rather like going back to university, with spells in marketing management mixed with courses at the London Busi-

Sherrington followed Dart as brand manager for Persil. For four years after that, both travelled the world in various jobs designed to give them hands-on management experi-ence and widely varying responsibilities. When they met in Hamburg for that significant beer, Dart was Lever's marketing director in West Germany and Sherrington was doing a co-ordinating job in the head office at Blackfriars, Lon-

Their decision to quit came because they felt they had reached a stage where they were being required to compro-mise and "fit in." Instead, "what we wanted to do was change the corporate culture to fit our view of the world."

Clearly, their new business had to be in marketing, they had, after all, been trained in one of the world's leading marketing schools. Their first shot was to bid for a cosmetics wholesaling and retailing business. They offered £60,000 and were promptly out-bid by another buyer who offered £100,000. That impressed upon them the first rule in busine the value of anything is what someone is prepared to pay for

Then, they thought seriously about forming a marketing consultancy based on their 25 years' combined service with Unilever. Again, though, the idea did not seem quite right. So they settled for starting a company to sell marketing.
They decided to fund it

themselves as far as possible by using their own resources, even at some personal sacrifice, rather than borrowing heavily. At that point, Sherrington and his family moved into a smaller house to release

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expanding

company

with considerable hotel

and timeshare

development potential

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enquirers.

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Mark Sherrington (left) and Peter Dart . . . "We were you men feeling old that night as Unilever marketing directors"

has some under-pinning from

five friends and relatives, all

business experts in various

fields, who have contributed

small sums (£20,000 in all) and

who will become minority shareholders when the present

partnership becomes a com-

pany in the next year. With such clients as a big

British china manufacturer,

tants and their old employer,

Unilever, they will have turn-ed-over £500,000 in fee income

some liquid capital for the business. He and Dart thought they would need about £500,000 to get The Added Value Com-pany going. In the event, they pany going. In the event, they have needed only about £50,000 in capital, plus money ploughed back from income during the first 12 months—although they admit they were overly-cautious at the beginning. Someone had told them, cynically: "You Unilever people don't have to worry about

ple don't have to worry about cash flow." Their financial structure

now is based upon revenue but

£1.4m next year and they are increasing their staff to 10 by the end of December. An early investment was made in an Apple computer system (including desk-top publishing) and that has paid off handsomely. All their publishing and the publishing the system of the publishing and the publishing the system of the publishing and the publishing the system of the publishing and the publishing the publishing

their first forecasts. They are

budgeting for a turnover of

cations and reports are now identified easily, with a distinctive style produced by the

Most of their work so far has been in marketing goods but they are now being asked to market services as well. One such request has come from their chartered accountant client, which is looking for a new marketing position in a professional world that is changing fast with the growth of consul-tancies and international

accountancy mergers.

Marketing work is divided into two main areas: develop-ing new brands from an original concept and resuscitating dying brands — or, in other words, being "brand doctors." Indeed, the concept of remedial help for ailing brands is becom-ing so fashionable that the City is waking up to the notion that some have an intrinsic value of their own.

Rather to their own surprise Dart and Sherrington found the business into profit by its second quarter. In the third they have shown a profit before tax of £90,000. But profits are expected to fall as they expand and have to invest in new people and equipment. Meanwhile, the two founders

are living simply. They are drawing just \$2,000 a month each, plus a car apiece. All the professional staff members of The Added Value Company are enjoying bigger salaries than their bosses just now.

Zanussi, Quaker Oats, one of the big eight chartered accoun-■ The Added Value Company, Churcham House, 1 Bridgeman Road, Teddington, Middlesex TW11 9AJ (tel. 01-943-3957). in their first year - treble



# Applying psychology

PSYCHOLOGY sounds as if it would be a particularly diffi-cult skill to sell in the commercial world. Until, that is, you relate it to training and advising people in practical skills such as motivating people, managing them under stress, coping with stress, counselling, and working in teams.

Ewa Zarkowska, 35, and John Clements, 42, both with masters' degrees in clinical psychology, worked for the Maudsley Hospital in south London and the Institute of Psychiatry. But they decided they wanted more than the career prospects offered by the Health Service and the university system. "I did not want to be a middle manager or a wan-dering academic," Clements explains

They decided to offer a private sector service to the business world and the public sector (without distinction or bias) in psychological training and consultancy. During the past two years, they have dis-engaged gradually from their public sector/academic lives to become self-employed. Now, they are the joint owners of Applied Psychology Services

based in Warlingham, Surrey, and spend most of their week travelling around the country holding courses, meetings and

They turned over £65,000 intly in 1988 and are hoping to reach about £100,000 this year. Next year will call for some hard business planning as they begin the transition from a partnership into a full-blown business with offices and a staff of two or three paychologists and administrators. So far, most of their work

has been in the public sector where they are known and where there is a demand for training by experts. But they are lobbying personnel managers and directors in industry to get over their message about the practical applications of nevelocours in the huminary psychology in the business

A few years ago, British Airways used psychological studies of its staff's attitudes towards work, the company and passengers as the basis of its now-classic re-training pro-gramme called Putting People First. It is no accident that Clements and Zarkowska are

that people play a vital role in business affairs by calling their new brochure Working for Peo-

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FINANCIALTIMES

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The state of the s

Stuart Marshall on why Jaguar and Ford need one another

IAT AND Ford have always felt differently about brand (or perhaps I should say marque) names. At least, Ford has in Europe. Everything it has made here, from the most basic Fiesta to the grandest Granada Scorpio, has been sold with the same blue Ford badge

on its nose.

For a time after Ford had bought Ghia, the world-famous Italian automotive design. company, it seemed the name might be used for a quite distinct and costiler range of Ford-made cars. But that did not happen. Discounting the one-off motor show prototypes, Ghias turned out to be nothing more than better equipped and trimmed versions of normal Ford products at every price

I never did understand this. In the US, Ford's huxury cars have been Lincolns for many years. Below Lincoln, but above plain and simple Ford, comes Mercury. Although using mostly the same components as Ford-badged cars, they have different

nages and higher prices. There are lots of parallels Chevrolet, Pontiac, Oldsmobile and Cadillac are all General components but their own dentities. VWs and up-market Audis share engines and transmissions. More than 40 years ago, Wolseleys and Humbers were posh Morrises and Hillmans. But Flat provides the best example of rationalising production without losing brand identity. In Italy, Fiats are for the



LATEST VERSIONS of the Fiat Group's Laucia Thema saloons have two-litre, 16-valve engines, a choice of five-speed manual or four-speed automatic transmissions, and two trim levels.

Prices range from about £15,500 for the 2.0ie 16v to £22,125 for the turbo-charged SE model, which has ABS brakes as standard. (On most others, they are £1,000 extra). All models run on unleaded petrol.

The Lancia Thema and Flat Croma are close relatives. The Alfa Romo 164 nd, for that matter, the Saab 9000) (and, for that matter, the Saab 9000) share some bits and pieces, too. The Thema 2.0ie 16v manual (pictured) that I drove the other day was long-legged on the motorway, spirited in hilly country and reasonably handy in town, even though it is quite a large car, with ample space for four/five passengers and a massive boot. The interior is soberly tasteful, almost in the German manner, but the seats

m the German manner, but the seats are more yielding than you would find, say, in a BMW or Mercedes.

Italy seems to be holding out rather well against the present vogue for hard seats. A Flat Tipo I used recently had seats as soft and comfortable as you used to find in French cars a few years ago. It also rode shock absorbently and passed very little tyre noise to the interior.

masses, Lancias for the professional classes, Alfa Romeos for the trendies and Ferraris for the rich. All four Aston Martin next and now comes Jaguar. Ford wanted, but did not get, Alfa Romeo. Flat saw to that. marques are, in fact, Fiat It seems to me that both Ford and Jaguar stand to gain a great deal from coming together. Jaguar will get the money it needs to develop new models, Ford a name it can Group products. Some (although not the Ferraris) share engines, transmissions and so on, but all are perceived use to add lustre to its executive-class cars. In the competitive jungle that

if flat had thought like Ford of Europe, all would presumably be badged as Flats. What would this do for sales of Lancias, Alfa Romeos and Ferraris? Not much, I would

have thought.
Clearly, Ford has been shifting its position. In the past few years, it has been buying control (and, of course, the names) of small but famous

drive. For sheer technology, though, it cannot match the products of companies that spend as much on research and development in a couple of weeks as Jaguar can afford in a year. Companies like Mercedes-Benz, General Motors, Toyota, Nissan and

> As I see it, if Jaguar is to remain truly competitive, its future cars will have to offer high technology as well as the traditional "grace, pace and space." Buyers of cars in the Jaguar class will become more demanding. They will soon insist on four-wheel drive, four-wheel steering, more fuel-efficient engines and transmissions, and computer-controlled active

suspensions as well as club-like interiors.

For this, you need lots of money. Politicians and trade union leaders may, for their own reasons, talk about the past glories of the British car industry — some real, some imaginary. The hard fact is that without a massive influx of funds — far more than a company making 50,000 cars a year could generate – Jaguar would have been lucky to have survived the next decade as an independent car-maker.

Now, it can look forward to developing its long-planned smaller car to compete with up-market European and Japanese executive cars

# A ride to Rawalpindi

Alec Russell and his team have finished the first leg of a gruelling cycling marathon

dropped a wallet, brimming

with untold wealth by local

standards. Ten minutes later a

young man caught us up and handed it back. The Good

Samaritan was rather sur-prised when we expressed

amazement at the crowd's hon-

esty, though everywhere we

have met with near-unbelievable hospitality.

In one small village a certain

Sikander was determined to slaughter his only chicken for us until we convinced him that

we were vegetarians. In Rahi-

myar Khan a certain Ali Mukhtar followed us for 15

miles on his motor cycle: "To

HE FIRST leg of our journey is over. After 1,000 miles we have reached our base camp, Rawalpindi. A break from the daily grind is most welcome, both for our needs wearone, to the total rects and our stomachs - a diet of curried lentils and chapatis is wearing on even the toughest constitution. Yet after 16 days of cycling through isolated rural areas we are finding it both disorientating and disconcerting to return to normality and semi-sophistication things which we have not seen in Pakistan since our depar-ture from Karachi 16 days ago.

We - myself and three oth-ers - had flown in to Karachi to begin the first leg of our cycle trek from Oxford to China to show the support of Crima to show the support of British students for their Chinese counterparts, and to raise money on their behalf. From Karachi we set out to cycle 1,500 miles to the Chinese border, there to lay a wreath in memory of toos killed in the Thenapuren Store massacre.

Tiananmen Square massacre. Our first target was to Our first target was to emerge unscathed north of the Sind. This, according to most informed sources, was improbable. On the flight out, Pakistanis shook their heads sadly at the folly of our plan. With nearly three weeks' hindsight we can now smile wryly at such warnings.

such warnings.
The inhabitants of each area are convinced that their neighbours are ignorant and/or anarchic. Country dwellers bemoan the lawless cities; urbanites slander the rural areas. Sindhis "hate" Punjabis, who, in turn, mock their southern country cousins. All assume (probably rightly) that the Pathans in the north are wild and uncivilised.

These fears were not wholly unjustified. Dacoits pose a real problem to the stability of the Sind. The day before our arrival in Sukkur, a young Christian boy was kidnapped by another tribe. The Christian the countries of the countries of the christian to the countries of the christian to the christian to the christian the christian to the christian to the christian the christi tribe from the north is unwelcome there, not because of its faith but because it occupies Sindhi territory. The authori-ties held no hope of rescuing

Of more significance is the Sindhi-Mohajir rivalry. Forty years after partition the Indian immigrants, or Mohalits, still cling stubbornly to their identity. The big cities in the Sind are divided by rival factions. By ill-fortune we arrived in Hyderabad on the first anniversary of the massacre of 300 Mohajirs there last September by Sindhi gunmen. As yet there have been no

prosecutions.

We cycled in, escorted by a troop of young Mohajirs with black armbands riding on motor cycles. There was a heavy police presence. Everywhere was closed; the only accommodation av with a staunch Sindhi - not ideal under the circumstances We stayed in our room with the door locked and went hun-gry. Well before dawn the next day we were in the saddle

heading north. We have tried to keep a low profile, although this is impossible in the rural areas where foreigners seldom, if ever, pass through, let alone on flashy "disco" bikes. Huge, curious crowds surround us at every stop. To save explanations, we have become the British cycl-

ing team. Our real aim has had to be suppressed. Chinese-Pakistan relations are at a high point. Pakistan newspapers are full of adver-tisements for opportunities in China One Pakistani student guardedly expressed sympathy for the massacred students of Tiananmen Square. He was

promptly rounded on by his friends. We would get little S. M. support for our venture here.
But we have never felt personally threatened. One of us

be of service, it is my moral CHINA Khunjerab USSR Pass (4,700m) Rawalpindi **AFGHANISTAN** PAKISTAN 200 miles

duty." He then returned home prepared supper and brought it all the way back. On handing over the food he promptly unrolled his prayer-mat, donned his topi and started praying. Maybe he felt contam-inated by our presence. Cer-tainly by then, day ten, we were looking more like Dacots

320 km

AFABIAN

than cyclists. As yet, our chosen mode of transport has posed few extra problems. We coped with the heat of the plains by rising at dawn. Often we passed through villages unobserved, although once or twice protec-tive watch-dogs have roused both sluggish inhabitants and,

more important, our legs into action. We have all had our rabies jabs, but that has proved small comfort when we have been pursued by a dog

pack.
The roads have varied - sel dom adequate, sometimes dia bolical. Unfortunately, all too often we have been compelled to cycle off piste. Over-friendly lorry-drivers are the most frequent culprits. Fascinated by our bikes, they slow down, engulf us in fumes, pull closer

and we are in the sand. These excursions into the rough have played havoc with our nerves, joints and bikes. Miraculously, we have still had no punctures. But the jolting has had more insidious effects. On the third day my entire rear carrier gave way and rear carrier gave way and crashed with my pauniers into the dust. Chaos ensued as I scrambled for the precious screws. A crowd of enthusiastic locals swiftly materialised from the desert. None of them had the slightest idea of the object of my quest but my object of my quest, but my hands were soon full with a pot-pourri of irrelevant metal objects. I now check my con-

nections at every halt.

As we neared Rawalpindi, I saw the Karakorams for the first time. Snowy peaks gleamed briefly in the distance and then disappeared into the haze. It was enough. Even after 1,000 miles, our goal still seems distant and daunting, but, after that brief sighting, it does, at last, seem possible.

The next stage will be very different. The Salt range, an arid plateau just south of Pindi populated only by goat-boys and reminiscent of the most inhospitable parts of Greece, promised to provide a useful blooding for ourselves and our cycles after 900 miles of flat terrain. However, the ascent lasted a mere seven miles, to a height of just over 3,000 ft. The Karakoram high-way is 600 miles of sheer climbs and descents, peaks at

We are on schedule, but the snow has already arrived in the north. We shall not regret our sleeping-bags, which have been lugged laboriously through the desert. A day has been set aside for diary-writing, cycle-maintenance and self-pampering. The day after, we head for the mountains.

# Passing the road test

WOULD LIFE be made easier on our motorways if overtaking were allowed on either side, as it is in the US? I asked this question a few weeks ago, having just come back from California, where there are no such things as "slow" and "fast" lanes on freeways and you can pass on left or right. The only real sin is not to signal before you make a lane change. The Japanese, who drive on the same side of the road as the British, practice a road as the British, practice a ways: so do the Australians.

overtake on the near-side - although this does not stop a lot of people from doing so when baulked by a third-lane hogger, so long as there isn't a police car in sight. Stephen Taylor, of Stone-

Camponanes.

But the USSR surged into an early lead with wide-margin victories over the US and Yugoslavia, while England were slowed by too many draws. The Russians were 2%

points in front when the England v USSR match began

in the fifth round and, trying to close the gap, the England players over-pressed with the white pieces and lost, while Anatoly Karpov outplayed

Nigel Short in the endgame.

Murray Chandler scored in good style, but 3-1 to the Soviets made gold medals a formal-

After that, the question was whether England could justify their reputation — gained from

silver medals in the past three

olympics - as the number two

chess country. It looked dubi-ous until a remarkable surge in the penultimate round when

England beat the US 3%-%,

their best victory yet over the

powerful Americans. Short's

win over Yasser Seirawan in

this match was the most bril-

China; Short lost on top board

liant at Lucerne.

12%, Africa 11%.

house, Gloucestershire, thought eitherside overtaking "a profoundly sensible idea" although he found it alarming when that he encountered it in the USA some years ago. He pointed out that, at quite the traffic densities the Gloucestershire, pointed out that, at quite low traffic densities, the right-hand lane of a British motorway might fill up while the inner lane or lanes (depending on whether it was a two or three-lane road)

The motorway code and overtaking rule could be amended to make for far better use of our roads," he

He added that when there was a hold-up on a motorway, most drivers tended to pick a lane and stay in it, so keeping station with the vehicle in

front. But if they overtook slower traffic in an outer lane, they were committing an

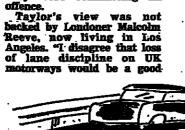
world-wide car-making has become, each needs the other.

Jaguar, if you forget the ageing XJ-S coupe, is a one-model, luxury class

car-maker. The latest XJ6 is a lovely car to sit in - a slice

of Old England, really, with

its leather and wood veneer - and wonderfully refined to



thing," he wrote. "It [two-sided overtaking] contributes to both accidents and slowing in Los Angeles."

A FRESH APPROACH TO DRINK/DRIVING

driving on its freeways "a and, more to the point, danger-nightmare, to be compared with fairground dodg'ems."

The constant lane changing even though it is both integral and, more to the point, danger-onsly unexpected.

S. M.

American idea that could be there caused frustration, imported to British advantage: stress, bad temper and greater being able to turn right at a liability to accidents. "You get

ag able to turn
A traffic signal (which ometimes, but not invariably, permitted in the US).

In the UK, of course, it would be permission to turn left and green filter arrows are common already. They do speed traffic flow but can be dangerous to pedestrians, especially to those who think the little red man doesn't apply to them.

H. A. Shaw, of Bourne Rod, amashire, said he was suggestion that suggestion that suggestion that suggestion that sthing in thing in the worst of both worlds at home. That is, ither-side overtaking when it is both illegy int, dang

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## Chess

SIGNS LOOKED promising for an England success in the world team championship, which ended earlier this weak Victor Korchnoi, the veteran former world title challenger, likes to go his own way in the opening and his plan to delay castling in a routine system looked plausible. But Short at Lucerne, Switzerland. The six-man England group, spon-sored again by merchant bank-ers Duncan Lawrie, were at tooked plausible. But Short took the initiative by an inventive sacrifice, then found gaps created by Korchnol's pawn advances. Short's threats became stronger until his elegant rook and knight attack full strength while the Soviet Union, holders of the world and olympic titles, missed Gary Kasparov. He boycotted this event as part of his forced mate or decisive matelong-standing quarrel with International Chess Federation rial gain. White: V. Korchnoi. (FIDE) president Florencio

Black: N.D. Short. Catalan Opening (world am championship, Lucerne

NES Be7 5 d4 0-0 6 Qc2 c5 7 dxc5 Qa5+ 8 Nc8 dxc4 An improvement over 8 ... Nc6 9 cxrl5 exrl5 10 Qs4 Qxc5 11 Be3 (Korchnoi - Andersson, Tilburg 1987) when White develops with gain of time. 9 Nd2 Qxc5 10 Na4.

Here 10 Qa4 and Qxc4 would equalise. By taking two moves to regain his gambit pawn Korchnoi concedes the opening

10 ... Qa5 11 Qxc4 Bd7! The point. Black offers a positional exchange sacrifice for active play by 12 Bxb7 Bxa4 13 Bxa8 Nbd7 14 Bg2 Nb6, perhaps with Rc8-c2 to follow. Korchnoi clearly believes it sound, but as played Black has a comfortable game without

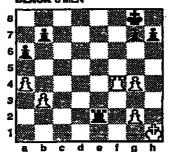
12 Nc3 Rcs 13 Nb3 Qh5 14 Qf4 Bc6 15 O-O h6 16 e4 Nbd7. Despite the symmetrical pawns, White lacks a good square for his queen. If 17 Rfd1 g5 18 Qf3 Qxf3 19 Bxf3 Ne5

But right at the end came another setback. England could only draw 2-2 with eeps up the pressure. 17 f3 a5 18 g4 Qe5! 19 Qg3 Qxg3 20 hxg3 Ne5 21 Rd1 b5 22 Nd4 Bc5 23 Kf1. Losing quickly, but 23 Be3

- and Yugoslavia took the silver. Final scores were USSR 27% out of 36, Yogoslavia 22%, Not 24 Bf2 Nxb2 is also very good for Black. 23 ... Bxd4 24 Rxd4 b4 25 Nd1 Bb5+ 26 Kg1 Rc2 27 Bf4 England 21%, Hungary 18%, US and Switzerland 17, Cuba Nd3 28 Bf1 Nell 29 Resigns. Black's elegant final coup 16%, China 14%, Netherlands

forces either Nxf3+ 30 Kh1 Rh2 mate or decisive material gain (29 Bxb5 Nxf3+ 30 Kf1

Nxd4). London's Barbican Centre and its Hungarian Festival stages a highly watchable event this weekend - Young Hungary (the three legendary teenage sisters) against Young England (Adams, Norwood, Sadler). FT readers will know that I consider both Judit Polgar, 13, and Michael Adams, 17, as potential world champions, and this will be their first meeting at the board. Play is noon-6 Sunday, 6-10.30 Monday evening. Tickets £3 at the door, Conservatory Terrace Level 9.



WHITE 6 MEN

D. Holmes v. P. Motwani, Grangemouth Open 1989. A dull position, you might well say. Rook and four pawns each why don't they agree a draw? Paul Motwani is Scotland's number one player already, with two grandmaster norms. The game went 1 ... Rb2 2 Rb4 b5 3 axb5 a5 4 Ra4 Rxb3 5 Rxa5 when White is a pawn up but cannot win because of his weak pawns and passive rook

placement. Hidden in the above sequence are (a) an obvious mistake and (b) a remarkable double oversight. Can you find

Solution Page XXV

West dealt and pre-empted passes, South said four hearts. North hid four no-trumps and, when South showed two aces by his reply of five hearts, he went on to six hearts. West opened with the spade

Then South made his diamond

Leonard Barden ace, crossed to the king, led back a club and finessed the

THERE IS a certain similarity about my hands today. Both come from rubber bridge, both are heart slams, and both declarers failed to spot the winning line. Here is the first:

↑ A 4 2 ↑ A 10 7 2 ↑ K 8 ↑ 7 6 4 3

With both sides vulnerable king, taken by the ace, and trumps were drawn in two rounds with ace and king. avoid the loss of another club, the contract was defeated.

spade or a diamond concedes a ruff discard.

With North-South game, North (the dealer) opened with one no-trump. South replied with three hearts and North re-bid three spades. This accepts hearts as trumps and shows the spade control. South now said four diamonds, North

checked for aces and, hearing that South had two, closed the auction with six hearts.

West led the club queen taken by the king, and the declarer returned a heart to his West showed out and the slam now depended on a successful

finesse in diamonds. South crossed to the spade king and ran the diamond queen. West had the king and that was one down. "Bad luck," said North – but was it? The expert is always on the look-out for an endplay. At

trick two the declarer should cash the ace of clubs, discarding a diamond, and ruff the seven. He crosses to the spade king, cashes the ace, leads a heart and finesses the queen to land the slam.

"Hindsight," you say. Not at all. If the finesse wins, the con-

tract is made; if it loses, West is endplayed. D'accord?

E. P. C. Cotter

♦ J9432 ♦ -♦ K 104 ₱ Q J953 ♦ Q 10 7 6 ♥ K 3 ♦ 9 5 3 ♣ 10 8 6 2

# Bridge

queen. West won with the king and, as declarer could not

A little thought would have saved the day. When South wins the opening lead, he should reason that West surely is marked with seven spades. East, therefore, could have only two. At trick two he ruffs the two of spades, draws trumps and plays off ace and king of diamonds. Now he returns dummy's four of spades, on which the two of clubs is discarded. West wins and is endplayed. A club lead runs into South's tenace, a

This was the second hand:

↑ A K ♥ J 10 5 4 ♦ Q J 8 2 ♣ A K 7

In the aftermath of Tiananmen Square, David Howell considers Hong Kong's future

downs, then Hong Kong must now be not very far from this condition.

After the trauma of Tiananmen Square, the one thing the Territory needed was calm and reassuring noises from Peking. Unfortunately, it has received the opposite. Instead of soothing words, it has been battered with charges of sabotage, even of being the actual cause of the summer upheavals in China.

One of the greatest city states on earth, a triumph of 20th century capitalism and freedom, has been reduced to a condition of jittery unease, with both confidence and brain-power draining away. Such is the story of Hong Kong

Perhaps it was always inevitable in such a highly strung, volatile place. Kevin Rafferty's new book, City on the Rocks, takes us right through from the glory of much happier days, via the panic of the early

CITY ON THE ROCKS: HONG KONG'S UNCERTAIN FUTURE by Kevin Rafferty Viking £15.95, 518 pages

1980s, the feverish euphoria after the signing of the 1984 Sino-British Agreement, then sino-british Agreement, then the growing bitterness (espe-cially against Britain) of 1987 and 1988, to the state of stunned shock to which Hong Kongers were brought by the atrocities in Peking, all too viv-idly portrayed on their televi-

Something of the same pattern of wildly swinging moods is reflected in Rafferty's own writing. In the confident carlier pages, we have the fabulous chronicle of the emergence of this miracle city detail. Then in the later chapters, as the shadows fall. the tone changes. Bitterness creeps in, the text grows more less accurate) and ends on a note of savage fury which accurately mirrors Hong Kong's current feelings about its fate.

Such departures from cool analysis seem to me wholly forgivable and understandable. Of course, it is maddening to be told that Britain is now run by "timorous small-town grocers" and that not just China but Britain, as well, are both "doing their best" to put

DENIS MACK Smith has had

four kings of the House of

Savoy who between them ruled Italy from 1861 to 1947. This

offers a new and instructive way of looking at the emer-gence of modern Italy, clarify-

ing politics and problems which persist into the present.

The sources are inadequate, as

Mack Smith complains, but

this proves to be rather an

advantage to a narrative historian as skilled and thorough as

he is, and one who is not afraid

to take a moral position in pleasingly crisp language.

In general, those four kings were astonishingly unfit for

their role, heirs to an obsolete

military tradition, distrustful

of their own sons and heirs,

jealous, greedy, devious, invariably preferring the inter-

ests of the House of Savoy to

those of the nation or the peo-ple. In terms of the usual

human fulfilments all lived narrow and unaffectionate lives, dull men further dulled

by their limitations. They were

extraordinarily lucky to have

got as far as they did. This book goes to snow how long it

takes in politics before rhetoric

Euphoria changed to savage fury



The Princess of Wales: warm reception in Hong Kong this week despite the passport controversy

the post-1997 Hong Kong at every possible disadvantage, or that the Government Whips at Westminster fingered the Foreign Affairs Committee when it made its report on Hong Kong (which is rubbish), or that the Portugese have been so marvellous over passports in Macao - when the problem is on a totally different scale, or that the French have been so generous by dishing out a few thousand

by Denis Mack Smith

Yale U.P. £16.95, 402 pages

and injustice finally end in

catastrophe.
Victor Emanuel II, the first

of these kings, was the benefi-ciary of the risorgimento not

only managing to exclude republicans like Mazzini and Garibaldi, but also dispossess-

ing rival hereditary rulers of

Tuscany, Naples and Sicily, and the Pope in the papal

states. Thuggishly determined to rule rather than reign, he

had no intention of sharing power through parliament or

any other constitutional mech-

ing source of weakness in an Italy comprising so many mutually suspicious small enti-

ties, suddenly united at gun-point in a way which serves to

harden rather than disperse their individuality. Only a gen-

uinely representative parlia-

ment could have mediated

properly between the various

interests involved, which were

Here was the prime and last-

It is absurd, too, to be told in one breath that Hong Kong should have been given independence and in the the next that it is, and must always be, interdependent with mainland China. But who would not go a little over the top at the frustration of it all? top at the frustration of it all? Different versions there will always be of what happened to make the Chinese so determined to end not just

House of Savoy — dull as cabbages

Sicily. Autocracy, as practised by Victor Emanuel II and his

equally unappealing son

Umberto, encouraged everyone else to act in their own exclu-

sive interest.

As a result, Italy remained

corrupt from top to bottom.

Only a revolution could change this, and it became the rulers'

main concern to ensure that

there would be no such thing. The whole concept of parlia-

mentary democracy was discredited in the process, and public opinion was never

allowed to emerge. Aggrandizement at the expense of others was also the basis of foreign policy, whether in its aims to seize bits of Austria or France or Albania or to launch expense.

or Albania, or to launch expe-

ditions in Ethiopia and Libya.

Coming to the throne in 1900, Victor Emanuel III was to

be a fixture of the European

scene for the next 46 years. At the core of this book is a

superb portrait of this enig-matic man, diminutive in stat-

ure, taciturn, shy, a noted numismatist and shot. Absolut-

ist by nature, he distrusted

constitutional government,

after all, in Chinese eyes after an, in Salar possessed)
Britain never really possessed)
British administration.

Yet what is done is done, and the task now is somehow to make it work. The key to this, of course, lies not in London but in Peking. The British will produce their "nationality" package and it is to be hoped that the numbers of those who are promised passports, to make them stay on in the Territory and not,

have saved the day. His hope

was always to take the praise for any successes while foist-

ing the blame for failures onto

the despised parliamentarians. Luck alone brought the king

through the first war. Unable to decide which side to be on, for one week in 1915 he actu-

ally was on both, forfeiting

respect and advantage. After the war, he found in Mussolini

another absolutist who was therefore temperamentally

congenial to him. Mack Smith

clearly shows how the king could have stopped Mussolini at the time of the march on Rome in 1922 and again in 1940,

and finally even in 1943, when once again he briefly found himself on both sides in a

Victor Emanuel III had

allowed Mussolini his head on so many occasions, it is clear,

because he was himself a fas-cist fellow-traveller. Mussolini threatened to abolish the mon-

archy but had no need to do so

because in effect it proved a stronger prop than his black-shirts. If the king went along

world war.

ITALY AND ITS
MONARCHY

social and political and even dreading socialists and coming religious from the Alps to hate even mild liberals like no cause for ordinary Italians
Giolitti or Bonomi who could to oppose it. Meanwhile Italy

emphasise not, come to Britain, is in tens of thousands. Every effort should be made, as Rafferty argues — and whatever the pressure from China to the contrary — to encourage a similar approach
to passports by other
Community and
Commonwealth countries, and

to make the point that, while Hong Kong may have Chinese parents, its god-parents are International.

But the heart of the matter is how to handle prickly, unpredictable, amorphous China itself. The message of China itself. The message of Tiananmen Square was surely not that China is tyrannically strong but that it is pathetically weak. Unable to reach decisions, it wants everything both ways—dictatorship and freedom, the wider capitalist world and the inner secretive China, a Hong Kong which prospers but a Hong Kong which is also suitably cowed and deterred from "subversion"—a bundle of shifting contradictions which Rafferty analyses with great skill.

which Rafferty analyses with great skill.

The only way forward in face of all this must be neither to kowtow to Peking nor to confront and provoke head-on, to respect all that is good and wise in China's attitudes—and there is much—and to disregard the boorishness and sullen lectures which seem again to have become nert of again to have become part of the package. Such a balancing act requires an almost superhuman calming of taut nerves in both London and Hong Kong. It requires imminent decisions about the pace of democracy in the Territory to be taken above all in the interests of Hong Kong. And it requires endless patience and persuasion in dealing with Peking, despite

dealing with Peking, despite the bloodstains.
Kevin Rafferty's book has the same virtues and the same faults as Hong Kong itself. It is as grandly sweeping as the Hong Kong waterfront, as richly detailed, as large-visioned and as small-minded. Yet in the end, despite the unjustified rage

despite the unjustified rage against Britain and the misunderstandings, the reader must have strong sympathy with what Rafferty is trying to do. He loves the drama of Hong Kong. He pleads that it is not allowed to slide into tragedy All of us who rejoice in this age to see the growth and prosperity of free enterprise

continued to be as corrupt as

ever, a society in which the strong took what they could

The king's attempt to benefit from fascism while also seek

ing to avoid responsibility for

its consequences was certain to destroy him and the House of

Savoy. In the final analysis, he

did not really understand where his actions were leading

him. Luck was no longer enough. His son was deposed

by plebiscite, although the margin was slender, showing what a great deal the Italians

were willing to put up with. The introduction in 1947 of a

democratic republic was hardly the revolution the monarchists had feared, but the Italian Par-

liament's struggle to be genu-inely representative and to

root out corruption had noth-

ing to build on, and it had

proved longer and harder than

it need have been. In Europe, perhaps only the Romanovs left their people a more diffi-

David Pryce-Jones

cuit legacy.

and the weak paid for it.

# Bit of a romantic about trains

Malcolm Rutherford on the memoirs of the man who took the strain during the Aslef strikes

SIR PETER Parker is probably best known for his long spell as chairman of British Rail. He was born in France, moved to China, then learned Japanese. That may explain - this is not to be unkind - a slight difficulty in expressing himself in English.

Parker has had a fascinating life. He ought to have written a fascinating book and, in parts, he has; but you have to look quite hard to find them. He claims to have invented the phrase "going plural," which applied to executives means having several jobs at once. Parker has had a lot of jobs; it is possible that he may have

is possible that he may have taken on too much.

The ruling passion in his career, he writes, was management, which he learned from his war-time experience, mainly in Asia. After the war, and a spell in allied intelligence in the US, Parker reached Oxford on his OWI inireached Oxford on his own ini-tiative. He went round the colleges knocking on doors. He nipped into Lincoln, which accepted him, between courses while he was having lunch at the Mitre Hotel just across the road. At the University he acted (Lear and Hamlet), played rugby and took a sec-ond in history. His admiration for the place verges on the idol-atrous, which is odd for a man-agerial man.

FOR STARTERS: THE **BUSINESS OF LIFE** by Peter Parker Jonathan Cape £18.00, 326 pages

He became a member of the Labour Party and was the Labour candidate at Bedford in the general election of 1951. Such a background did not automatically qualify for a job in industry. Still, he stuck to his love of management and his love of management and was one of the pioneers among those who sought to attach to it the concept of social respon-sibility. The Duke of Edinburgh was a notable patron in what was then the industrial

what was then the industrial Welfare Society, now the Industrial Society.

Parker was taken on by Booker Brothers, a group with a social conscience. He was not at all a bad businessman, as subsequent events were to show. For example, he was later chairman of the Rockware Group, the biggest inde-pendent maker of glass con-

pendent in the country.

But it was his Labour background and interest in social
responsibility that made him a natural candidate to run a nationalised industry. Parker was first offered the chairmanship of the railways by Barbara Castle in 1967. Harold Wilson tried to persuade him to accept

on the day that the Cabinet had finally decided to devalue the pound, a decision unknown to Parker and nearly everyone else until 48 hours later.

Parker turned down the job because he was not to be allowed to increase executive pay: not so much his own, but that of the other BR managers. On his own admission, how-ever, it came to seem the post that he had always wanted. When it was offered again in 1976, he accepted and stayed for nearly eight years. The description of his tenure is a large part of this book.

Was he a success? Yes, up to a point. The first part went well. Parker restored some confidence in the railways, sorted out how they should be financed and reached an agreement with the Labour Government and the Tory Opposition that there should be what he calls a "contract." the railways would improve their efficiency and in return would receive a government subsidy for social costs and investment. Norman Fowler, the shadow transport minister at the time, comes in

for particular praise. According to Parker. Fowler was convinced that Mrs Thatcher would not make him Minister when the Tories won the election in 1979. But she did and for a while Parker and Fowler worked well together.

The trouble was the unions. In a series of disputes over fourthly restrained the unions.

flexible rostering, the unions failed to deliver on productivity. The train drivers' union (Aslef) quarrelled with the larger National Union of Raillarger National Union of Rali-waymen, and both bodies had internal divisions. As Parker observes, most people will have forgotten the details by now, even if they ever knew them. Yet it was a big event while it happened and a set-back for the Parker vision of the railways. the railways.

In the end. Asief capitulated, but valuable time had been lost. Parker succeeded in retrieving some of the rail-ways' reputation, though not as much as he would have liked. He describes the disputes as "a necessary journey through hell."

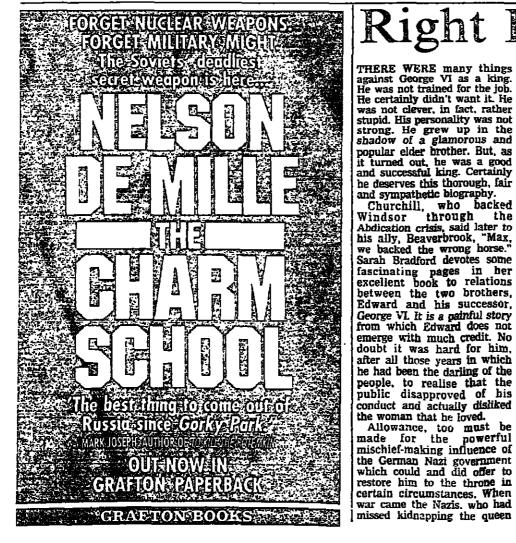
He was a bit of a romantic about trains and even their work-force. He should have sought - in a phrase that rings of the past - more of a since Parker had to work with six different ministers during his years in office, it would be unfair to blame him alone. This business of repeatedly changing the Transport Secre-tary goes on — from Paul Channon to Cecil Parkinson this year - and is one of the oddities of British government.

One footnote: Parker writes that when he went to the rail-ways in 1976, he understood he was also in the running for the then British Steel Corporation. He was shown the list of candidates for the steel job by a senior Cabinet Minister. It included the now Sir lan Mac-Gregor, the man the Tories were to bring in several years later amid considerable Labour protests. There is a lot in the book, if you can plough your way through it.



#### Fiction Shades of Dickens

THERE WERE many things **GEORGE VI** against George VI as a king. He was not trained for the job. by Sarah Bradford Weidenfeld & Nicolson £18.95, 506 pages



He certainly didn't want it. He was not clever, in fact, rather stupid. His personality was not strong. He grew up in the shadow of a glamorous and popular elder brother. But, as it turned out, he was a good and successful king. Certainly

he deserves this thorough, fair and sympathetic biography.
Churchill, who backed Windsor through the Abdication crisis, said later to his ally, Beaverbrook, "Max, we backed the group horse." we backed the wrong horse." Sarah Bradford devotes some fascinating pages in her excellent book to relations between the two brothers, Edward and his successor, George VL It is a painful story from which Edward does not emerge with much credit. No doubt it was hard for him, after all those years in which he had been the darling of the people, to realise that the public disapproved of his conduct and actually disliked the woman that he loved. Allowance, too must be made for the powerful mischief-making influence of the Courney New Courney

the German Nazi government which could and did offer to

restore him to the throne in

certain circumstances. When

war came the Nazis, who had

of Holland by a matter of minutes, made an attempt to lure Edward from Lisbon into Franco's Spain. In the end, thanks largely to Walter Monckton and the secret service, he was persuaded to go to the Bahamas. But it was

touch and go.
Stirring up trouble at home, making mischief abroad, Edward was a perpetual worry to his brother. Those who think that royal anxiety about the ex-king was exaggerated, may change their minds after reading Sarah Bradford's pages on the subject. But, as it turned out, there was always one weapon which the king could use and one which exposes the basic pettiness of Edward's mind - the king could always say that the subvention to the Windsors

should be subject to income tax. That was an indignity which the duke could not bear to contemplate. Windsor was not the only member of the family who caused worry to the king. Kent, until his marriage, kept

dubious company. The secret

income (£80,000 or more)

service, were anxious about the official papers which were sent to him fearing that he might pass some of their contents on to the Nazis by way of some of his strange friends. When the war came there was even trouble with the king of Norway whom King George referred to as "that bloody old bore Uncle Charles."

If out of all his difficulties with his kith and kin, George VI emerged with honour and success, the credit must be given to his fundamental decency and his profound sense of duty and also, of course, to the support he had from his strong-minded, devoted and capable wife.

Reading Sarah Bradford's engrossing account of his life during those dangerous days the scenes, the personalities, the dinner parties, the silly society women, the flashy adventurers of that vanished age of brittle opulence - one understands better why Churchill wrote on the card that that accompanied his wreath at the sovereign's funeral the two words, "For Valour."

George Malcolm

THERE IS something very seriously wrong with the literary scene in this country when a novel such as *The Quincunx* a first novel by Charles Palliser, 12 years in the making, and an outstandingly good read – not only fails to win the Booker prize in a dismal year, but does not even make the short list, or anywhere near the short list. An injustice has been done: worse than that, an opportunity missed to draw a fine book to the atten-tion of the wider public it so richly deserves.

The novel's appearance, to be fair to the judges, is some-what against it. It weighs half a ton, possesses an off-putting title (a quincunx in this context is an arrangement of five items in a heraldic device; also oak trees, similarly spaced), and appears from the blurb to be a work of signs and symbols - something impenetrable per-baps in the manner of Umberto Eco. One can imagine a hardpressed judge, with more than 100 books to wade through,

gazing in despair at *The Quin-*cunx's 788 pages (to include a four-page list of characters, some of them under false names) and not investigating much further before moving on. If that is what happened, it is a crying shame, because the book is a treasure from end to

The main character is John Huffam, a young boy growing up in reduced circumstances in the rural England of the 1820s. Thomson | He lives with his widowed

THE QUINCUNX by Charles Palliser Canongate £14.95, 788 pages

mother in the village of Hougham, near the estate of the same name owned by Sir Perceval Mompesson and his family. There is something peculiar about the Mompes-sons, and their beautiful young ward Henrietta. Something peculiar about 10hn too for it peculiar about John too, for it has not escaped his notice that Hougham is pronounced the same as Huffam. Could he be the rightful owner of the estate? If so, where is the missing codicil that will establish his claim in Chancery, where a court case about the Huffam inheritance has been dragging on for more years than anyone can remember?

A person or persons unknown believes that John's mother has it. They deliberately bankrupt her in order to force a sale. Rather than give in, however, she takes John to London, where she is rapidly conned out of her remaining cash and forced into prostitution, before dying of consump-

John meanwhile is shipped off to a ghastly "school" in the country, where he suspects that he is to be murdered as soon as is convenient. The truth of the matter is that the Huffam inheritance has many claimants, some of whom need him aiive to establish their title, the majority of whom however must have him dead.

and after many perilous adven-tures returns to London, where he wanders the freezing streets, faint from hunger. Eventually he passes out on the doorstep of a kindly family who take him in and nurse him back to health. Unfortunately however — in one of those outrageous coincidences beloved of Victorian novelists — they too are heirs to the Huffam fortune. John soon begins to suspect poison in his food. He tries to escape again, but is carted off to a madhouse, where he is thrown into house, where he is thrown into a cell with a wild-looking crea-

John escapes from the school

ture who turns out to be the father he has never met. The plot in fact is pure Dickens, with a dash of Les Misern-bles thrown in. The whole book is an affectionate pastiche of the Victorian novel, and of Dickens in particular, right down to thieves' kitchens. foggy murders on the banks of the Thames, and a vast galaxy of characters in whom the milk of human kindness has never begun to flow. The author has begun to flow. The author has done an enormous amount of research into the period, but never allows it to intrude. If you enjoyed Oliver Twist, or David Copperfield, or Great Expactations, you will be greatly entertained by The Outnown. I defy anyone to Quincunz. I defy anyone to read it against the Booker six and not concede that the judges must have got their wires crossed somewhere.

Nicholas Best

TO BEN Haggarty, the purpose of storytelling is the creation of magic, with each storytell-

er's magical prowess charted

on an Irish concept known as the "ladder to the moon." Haggarty is the artistic director of the Third Interna-

tional Storytelling Festival which opens today on Lon-

mental event. Because no one could predict whether it would

attract an audience, the ven-ture was covered by GLC guar-

antees against loss. The organ-

isers need not have worried, for the first festival was nearly

Two years later later at Brentford's Watermans Arts

Centre all tickets for the story-tellers were snapped up. This



The Ancient Mariner — one of Mervyn Peake's illustrations to an edition of Coleridge's poem published by Chatto in 1978

# Exploring the mind behind Kubla Khan

Anthony Curtis welcomes a new biography of Coleridge

OLERIDGE stands for the general reader like some Lakeland mountain familiar but formidable; some parts of it are perfectly acessible, all too well remembered from school; but the higher levels and the summit from where it might be possible to get a sense of the whole remain shrouded and obscure, impenetrable to all but the professional academic climber, hammering his pitons into the rock face and establishing a precarious foothold.

Thanks to Richard Holmes that has now changed once and for all. In his new biography of the poet, of which Coleridge: Early Visions is part one, he has opened up the vast confusing territory with great skill and judgement. Living on Mount Coleridge for so long, Holmes has discovered a whole network of paths, man-made and natural, which lead to unexpected vistas and fresh viewnoints. He brings the huge Coleridgian range with its breath-taking peaks and troughs within the capacity of anyone who has a stout pair of

The book ends in 1804 when Coleridge, aged 31, set sail for Malta leaving a wife, Sara, and three children behind in one part of Cumberland, and Wordsworth, his sister

Dorothy, and Sara Hutchinson (Asra with whom Coleridge had fallen in love) in another. He needed, as so often, to get away to renew his powers, to distance himself from domesticity. He had a universal reputation as a great mind but he was not yet universally known as a great poet, even though he had written and published some of his finest poems including the Ancient Mariner. The work originally appeared anonymously in Lyrical Ballads. It was Wordsworth who was the senior partner in that venture, and it was Wordsworth who wrote the dismissive note on what he-considered to be the deficiencies of the Mariner and it was Wordsworth again who rejected Christabel for the 1800 two volume edition. Coleridge was so shattered that he determined to give up writing poetry altogether. He now begun to rely more heavily than hitherto on opium for

solace. Coleridge's submission to the authority of Wordsworth makes salutary reading. Holmes gives us a perceptive analysis of the shifting balance of power between the two men from the time they first met when Coloridge was already

journalist and much in demand by London editors, through the first period of rural retreat in first period of rural retreat in Somerset, when the Coleridges were living in a damp cottage in Nether Stowey, to the move to the Lake District by the Wordsworths whither Coleridge followed, in spite of his wife's reluctance.

Thus Coleridge sacrificed a dazzling career as a kind of 18th century Bernard Levin in order to set his compass by Wordsworth's rising star and to engage with him and his sister in a continuing dialogue, against the remote rural setting of the fells, concerning a new poetic discipline known to history as Romanticsm. His reward was a complete dejection of spirit which after much misery and many sleepless nights he converted into the celebrated Ode on Dejection. This Holmes sees as the crucial turning-point in the reconstruction of his

personality.
The book is particularly good on the way many of Coleridge's poems began as conversations with himself, as utterances to sort out the complexities of his own divided nature. The ordinary reader nature. The ordinary reader knows Coleridge through a handful of constantly anthologised poems starting with *Kubla Khan*; while giving due weight to these and their roots in Coleridge's personal history as the youngest son in a family of clergy, a scholar of Christ's Hospital where he had the clessics begin into him by the classics beaten into him by

the classics beaten into him by a brutal headmaster, Holmes relates the anthology pieces to the more occasional and fugitive writings.

For someone who rarely succeeded in finishing anything, the patron saint of all literary procrastinators, Coleridge had a prodigious output. The Canadian scholar Kathleen Coburn has spent the best part of her professional life editing his hotebooks; in hest part of her professional life editing his notebooks; in addition there are sermons, travel-pieces, lectures, epigrams, reviews and all manner of ephemera. A lonely walk across Helvellyn would get recorded in two or three

COLERIDGE EARLY VISIONS by Richard Holmes Hodder & Stoughton ££16.95, 409 pages

pages of descriptive prose of a high order shot through with philosophical meditation. Holmes takes the view that nothing that Coleridge ever wrote is too fragmentary too be integrated into a larger whole.

The same applies to the people he knew and charmed. His effulgent personality and unending flow of discourse conquered everyone in sight. Hazlitt, who later turned against Coleridge, described in a famous essay his impact on an impressionable young man. Among others who come into the picture after Coleridge the picture after Coleridge became alienated from his family and entered upon his radical "pantisocratic" days are Lamb, Godwin, Southey, Humphry Davy, and the Wedgwood family who provided much needed fmancial under-pinning of his career in the form of a regular

annuity. In this rich book Holmes has done full justice to his hero and we look forward avidly to



success prompted the South

the more familiar ballads, fair-ytales, folk-tales and myths associated with the art.

The history of the biennial festival is also one of ladder-like progression: in this case, a ladder to public awareness. Its first venue was the Battersea Arts Centre where, in 1985, a small group of storytellers gathered to produce an experi-mental event. Because no one Bank to offer its facilities as the main venue in London for 1989. In addition to the performances there, many of the 41 participants are appearing in regional venues up and down the country as well. Whether the size of the pres-

ent festival will produce the proportional sell-out audiences remains to be seen. One fact, however, is certain. The suc-cess of the previous storytell-ing festivals, coupled with the rising number of storytellers

found in pubs and arts centres during the last decade points to a revival of British enthusiasm for the art. – the successor, perhaps, of the American storytelling revival which has been growing in strength for

Journey up the ladder to the moon

Storytellers are all set to climb a few fairytale rungs, says Jamie Ambrose

the past 20 years.
Since the late 1960s, story-telling in the US has swept the nation, led by the likes of tellers Laura Simms and Jay O'Callahan, both of whom are appearing at the South Bank. This ancient form of communication and entertainment has appeared the glitz of even penetrated the glitz of American television, although purists contend that stories should be told live - either in living rooms or small theatres, or in the tents of the National Storytelling Center's annual festival in Jonesborough, Ten-

festival in Jonesborough, Tennessee, the largest storytelling festival in the world.
Wherever they are told, what attraction can oral tales offer to the Western world, enmeshed as it is in an era of tubes, discs, and videotape?
Laura Simms, whose material comprises everything from fairytales to stories of contemporary life, has gathered porary life, has gathered crowds in the unlikely setting of Manhattan's Exxon Plaza; executives and secretaries pause out of simple curiosity, but soon Simm's tale of two white birds has them so entranced that by the end more than a few are wiping tears from their eyes. "What people respond to is the sim-plicity of it all," Haggarty

Most storytellers would agree with this, but all are quick to point out a more important characteristic: storytelling is a shared experience. For when storyteller and audience come together, that story is the product of the union and never exactly replicated, a one

"You're not an actor with a rehearsed script," says Hag-garty. "There are laws in story-telling, and you have to understand its patterns. But, like jazz and Eastern music, stories are improvised withing a known pattern. You know what the story is and what happens in it, but how it is told

depends upon the audience."
What is told, however, depends upon the teller. Broadly speaking, a storyteller works within one of two tradi-tions, both of which are in evidence this year at the South Bank. The fireside tradition includes tales originally told in the home around the hearth: more informal material with common human themes. Those who work in the professional tradition — such as Robin Williamson, whose work with Celtic myth and legend has been widely acclaimed — are the highly-trained inheritors of the bards and minstrels of history. the bards and minstrels of history. Yet even professional material varies widely. American Jay O'Caflahan is a professional storyteller who uses non-traditional subjects, such as the effect of a political rally on two adolescent boys, or the coming of age of a young girl in Novia Scotia.

The average medieval bard was paid in food and lodging, but today's tellers fare better: some earn between \$100 and

some earn between \$100 and \$750 a day in the US, although fees in Britain are considerably lower. Lest potential British bards be lured to America, Audiences at the last few Jonesborough storytelling festivals have noticed a dearth of traditional tales, due in part to the recent Stateside develop-ment of copyrighting material.

Most proponents of the art would argue that the practice of copyright goes against the very nature of storytelling, which has survived over the centuries only because tales have been passed on from one teller to another. In addition to the copyright problem, the US revival has suffered at the hands of another modern-day demon: over-commercialisation. Large audiences at some venues have forced storytellers to use amplification, thus adul-

terating the purity of the tell-In France, too, where storytelling has been gaining popu-larity since the late 1970s, admiration for the art sometimes reaps unhappy consequences. As Peter Brook, who recently worked with French storyteller Abbi Patrix on *The* Mahabharata, explains, When you do storytelling, unfortunately you're likely to be surrounded by enthusiasts in whimsv."

Fortunately for the UK, the problem of over-popularity is somewhat safeguarded by that mainstay of British storytellers, the British pub, which automatically limits the audience size and creates what many practitioners of the art consider to be the "proper

atmosphere.
Whimsical or not, tonight's
Gala Evening at the Queen Elizabeth Hall features a smorgasbord for lovers of a good yarn, a selection of tellers which typifies the scope of this year's festival. Jamaican street cries from "Miss Lou" Bennett; English dialect tales from Jim Eldon; Lushootseed legends from Washington-State Vi Hil-bert; the traditional Irish wit of Eamonn Kelly . . . all promise an evening of special entertain-ment, a taste of that wonderful interplay between humour and earnestness which, as Ben Haggarty says, "makes magic

■ Details of London events: 01-928-8000; regional: 01-585-3075

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#### Hofer's bequest to Harvard EVERY BOOK lover with a few days to spend in New York will find time for a visit to the Gronal wood blocks. lier. Club: There is nearly always a special exhibition in its specially-designed gallery in the elegant Georgian style premises at No 47 East 60th St between Madison and Park. Admission is always free. The club was established in first realised that it had become one of the great nations of the modern world.

Antiquarian Books

The nine founders, whose por-traits line the walls, shared a common interest in books, not only for their literary content but as objects of beauty in their own right.

Taking the name from the famous scholar and patron of

the French Renaissance the founders aimed to encourage research into the art of the book. Over the years the club has since organised 600 exhibitions and financed many publi-cations. The reference library, which now has 70,000 items, is open by appointment to any-one with an interest.

Every book of Grolier's library proclaimed on the binding that it belonged to Jean Grolier and his friends. The Grolier Club is also devoted to good fellowship, with regular meetings and opportunities for talk. At present there are 650 members, each one individually recommended. Residents of New York pay \$600 as entrance fee and \$600 annual subscription. For others the dues are exactly half.
The current exhibition

which contains a selection from the bequest of the late Philip Hofer to Harvard Uni-Philip Hoter to Harvard University is a tribute to a remarkable man. Some 500 books are on show selected from a total of more than 5,000. Nearly all exemplify some aspect of the art of illustration. They range from a 12th century manuscript of the Venerable Bede, in its original binding, to examples of fine contemporary ples of fine contemporary typography. You can see Durer's amazing woodcut of the Four Horsemen of the Apocalypse, 1498, surely the best frontispiece any book has ever carried, and a fine proof of Blake's "Jerusalem" from The Visions of the Daughters of Albion 1793. If you have ever wondered how Thomas Bewick achieved his effects, the collection contains one of his origi-

Philip Hofer attended the Harvard Business School. He worked for a few years in the coal industry in Cleveland. Helped by a small loan from his mother, and a tip from a friend, he started to speculate on the stock market. In the rapidly rising market before difficult to build a fortune if you had money to start with, and Hofer got out in time. As a young man he was soon as rich as his father.

His wealth enabled him to give up business and turn to the fine arts. For a time he served at the New York Public Library and at the Morgan, before returning to Harvard in 1938 at the age of 40. He was to remain there until his retire-ment in 1968 and was closely associated with the Houghton Library until his death in 1984. His luck in the financial

markets did not desert him in

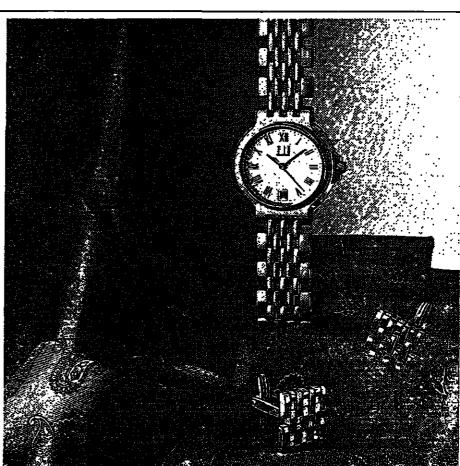
the sale room. In the post war years Europe was a gigantic bargain base ment for American collectors. Hofer always had an eye for what he wanted and a nose for where he could find it. His pur-suit of the papers of Thomas Frognall Dibden, the 18th cen-tury bibliophile, took him to the country house of Earl Spencer, the grumpy grandfa-ther of Princess Diana. Hofer loved to tell how he and Wil-liam Jackson found themselves

climbed out of the window down the drainpipe. At Harvard Hofer founded the first American library department devoted to the art and history of the book. For 50 years his departmental and personal collection were in practice indistinguishable. He is believed to have departed. is believed to have donated almost 25,000 volumes including 1000 manuscripts. In 1959 alone he told Jackson "to my horror I computed yesterday that I gave to the library this year in money and books over \$54,000."

accidentally locked in a second floor room and were so afraid to disturb their host that they

■ The exhibition is open 10am-5pm Monday to Saturday until November 26. A full cata-logue which may be ordered by post is available for \$32.50.

William St Clair



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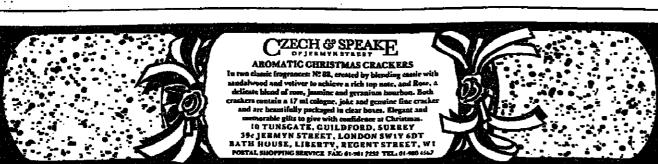


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# My desert is waiting. (And so is the hotel drummer)

Day 1: "Psst . . !" says a voice from behind a tree. "You wanna good guide? You wanna explanation?" "Psst . . !" says a second voice from behind a mound of masonry. "You wanna buy old coins?"

I am at Carthage, where voices speak to you like zephyrs in an olive grove — nudging you and hustling you, though not so insistently as to

make you cross.

As piles of old rubble go, Carthage is one of the sorriest because when Scipio bashed Carthage, Scipio bashed Carthage, He also salted it. It is now essentially a suburb, a few miles from Tunis, with bourgeois villas dotted obsequiously around the presidential palace, which is set on a

Tunisia's former president, Habib Bourguiba, once said that if the country ever struck oil in significant quantities he would remove all the villas and that Carthage would be restored. But Bourguiba has gone now, just like Carthage.

Tunis is another matter: a fun sort of place with boulevards and cafes, shrines and sugs and an atmosphere of cultured permissiveness that I ascribe - I could be entirely wrong to Tunisia's history of invasions and assimilation: Phoenician, Roman, Vandal, Byzantine, Arab,

Spanish, Turkish, French.
After Carthage I visit Sidi Bou
Said, a living postcard, which has cobbled streets and fussily white-washed houses with studded blue

doors. It is too pretty for words.

Days 2/3: I am a bit miffed to realise that I am spending two days progressing from one bland tourist hotel to another and that my itiner-ary for these 48 hours is based almost exclusively on "forts, suqs, museums, etc.'

At a lunch in London I had explained to the tourist people that I am a bit of a wild boy, a bedu, a talented and resourceful traveller who is most at home in the Empty Quarter or in obscure mountain ranges, a person who can cope with deprivation, scorpions and killer penguins with remarkable sang

Yet tourist boards never listen to a word you say. They take the view that if they have been showing journalists "forts, suqs, museums, etc" for hundreds of years then that is good enough for you. This is why I am visiting such well-known spots as Hammamet, Port ei Kantaoui,



Travels with Michael Thompson-Noel



which has a marina, and Sousse. I wouldn't knock them, mind you. They are what they are.

The Hotel Diar ei Andalouse at Port el Kantaoui, for example, is typ-ically large, friendly and unremarkable. Its guest list seems to contain an over-supply of mature women with yellow hair and voluptuous bosoms sitting around topless. One cannot be too careful. Not for the first time, it occurs to me that there is a class of person that is permanently on hol-

iday.

The guest list also contains more than its fair quota of aggressively rude Germans, two of whom drive me away from my chair near the swimming pool, where I sit quietly reading, at 8.30 in the morning, claiming to have reserved two chairs plus a table - also possibly the golf course and half-a-mile of coast - at an even earlier hour. Talk about

rudeness. What a scandal it has become. Hotel managements seem scared of the Germans.

Sousse is atmospheric and prosperous looking, with a great deal of building work in progress on its out-skirts – testimony, no doubt, to the vitality of Tunisian tourism; or

And I have a soft spot for Monas-And I have a solt shot to should tir, a short way down the coast. Many moons ago I visited Monastir on a Thomson package holiday. I was accompanied by a female with whom I was having an unstructured relationship. One might there was a disco with an energetic and hirsute rock band. When I knocked on her door the next morning, she was in bed with the drummer. I told her: "I am a much better drummer than he is." "I can well believe that you are," replied Miss Worcester Sauce.

Day 4: We are driving westward to Kairouan, passing countless fields of olive trees until we strike bare, flat land with a range of hills beyond. It rained heavily in the night. Water lies in sheets. A river falls across the

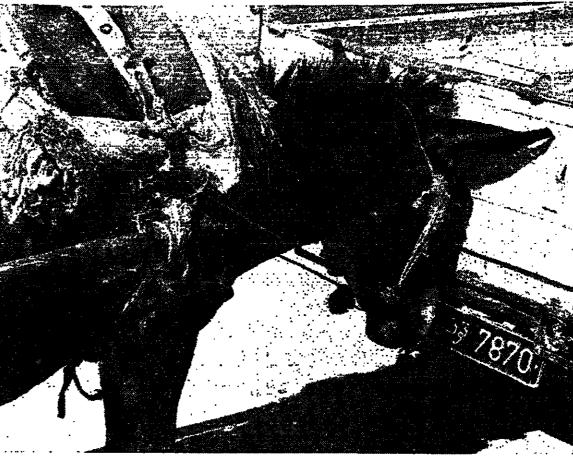
road.

My driver is a cheerful sort who steers down the middle of the road and does not let anyone pass. Like most Third World drivers, he believes that driving a car is no fun at all at anything less than 140 kph. I particularly enjoy it when he takes both hands off the wheel to look for his cassette tape, a medley of Arab hits of which he is inordinately fond.

Kairouan is fairly jolly. Its great mosque is the oldest and most revered in Africa and has a "forest of columns," some of which you must squeeze between if you are not to be judged too fat for paradise. We lunch at the Hotel les Aghla-

bites, a dire establishment which probably survives on feeding coach-loads of tourists a set and hurried poulet, coupe de grenade - that sort of thing). The waiters bicker at each other while ladling mounds of couscous on to your plate. But the menu cheers me up. "Et pour animer les journées kairouanaises," it says, "l'hôtel propose les jeux de pétanque, ping-pong et organise des déjeuners néchoui, sous tente, avec fantasia." Now we head back to the coast

stopping at El-Jem. Its Roman amphitheatre, heavily restored, is a most impressive ruin. We also stop at Sfax, Tunisia's second largest city, which has been called a "Mediterra-



Donkey work: a hard day's graft in Testour, northern Tunisia

It has been prosperous since ancient times: olives, cereals, cloth, fruit, fish, perfume, widgets. On the outskirts of town we see a large chemicals factory belching plumes of smoke. "Phosphate!" cries the driver resonantly. I tell him that I do not know what phosphate is. I have never seen any phosphate, and hope

We spend the night at Gabes, in a hotel that reeks of disinfectant.

Day 5: My spirits lift at last because we are driving almost due westward along the northernmost fringes of the Sahara. Until we reach the true Sahara, at Douz, we see a few scattered olive trees clinging to the rocky soil, plus shepherds and goatherds leading their flocks. Douz is the scene of the late-January Fes-tival du Sahara: camel parades, races, lectures and general Beduin jollity. It also has a toy fort complete with toy soldiers.

On our way from Donz to Nefta we stop at Tozeur, a town I greatly like. At a sidewalk cafe I watch the passing trade and hand my cigarettes round. I buy some dates. The price is the same as Tesco's. A horse with a bleeding back is dragged along the road. A man hits a donkey with an almighty thwack. I concentrate on that man's head to see if I can vapor-

ise him, but the spell does not work.

The oasis at Tozeur extends to 2,590 acres fed by some 200 springs, ancient times: olives, cereals, cloth, fruit, fish, perfume, widgets. On the manner specified in the 1270s by Ibn Chabbat. After driving through the casis we come upon the splendidlynamed "Zoo of the Sahara and Paradise Gardens." It is one of the cle-anest and best presented small zoos I

It has a pair of Atlas lions and a two-month-old lion cub, an Atlas baboon ("very dangerous" says the frivolous youth who is showing me round), an alarming hyena ("also very dangerous"), jackals, ibex, gazelle, sand and desert foxes, mountain goats, camels, an irascible porcupine which bristles and fumes when the youth jumps into its pit and clomps it, snakes, vipers, scorpi-

The youth waves a scorpion in my face. "Eez plastic," he lies. I am in two minds whether to clout him, but he is holding a scorpion. When we enter the gardens he sings "Theez way to para-dize," and shuffles his feet in the sand.

Day 6: I like a good desert. To be frank, I can see no contradiction in liking deserts that have a luxury hotel conveniently to hand, for what could be finer than the solitariness, emptiness and nothingness of the desert on one hand, and on the other hand the somethingness of a swim ming pool, tennis courts, flower gartioning chef?

I know of two such hotels, at least: the Hatta Fort Hotel, at the foot of the Hajjar mountains in Dubai, and the Furnace Creek Inn Resort in Death Valley, California. In Tunisia there is a fairly nice hotel at Douz, the Mehari, while at Nefta there is a better one, the Sahara Palace. The terraced slopes of Nefta, topped by domed marabouts (shrines) and descending to palm groves, are regarded by some as the loveliest of Tunisia's casis landscapes.

My last stop is Sbeitla, whose Roman ruins glow like honeycomb as the sun drops behind the dunes. Night falls. Dogs howl. Stars are flung across the sky like spattered milk. I am reading David Lodge's novel, Nice Work, in which a foreign exchange dealer called Debbie is showing some friends a gadget that informs her of the state of all principal currencies 24 hours a day, but which only works within a 50-mile

"I get ever so nervy when I'm outside of the range," says Debbie — reminding me that I must catch a ■ Details: Tunisian National Tourist Office, 7a Stafford St, Lon-don W1 (Tel: 01-499-2234).

dens, air-conditioning and a func-

it is a bustling fishing town which has become a weekend of Arizonans, Modes condominiums, beach huts and a few bars have sprouted along sandy beaches on either in nearby Cholla Bay. Puerto Penasco has not been

soon evaporated. Shrimp boats headed towards the horizon seemingly drawn along on an invisible chain beneath the sea. Dusk brought with it two young Mexican boys, aged about nine or ten, selling wood and fireworks. We purchased enough dry wood to keep a fire going for a couple of nights, but decided against playing Mexican roulette with

shallow pools covering its cratered surface. Each rock pool teemed with life. Finally the lantern revealed channels in the rock which led to the sandy bottom of the gulf. Here a sudden cloud of silt signalled movement; a sting-ray, about a foot in diameter, skimmed out and disappeared into the swirling waves. Overhead, the night sky held a star at every point. On the black horizon yellow lights from fishing

boats twinkled faintly.
The following morning we drove into town. Every other car and truck we passed defied the laws of mechanical the laws of mechanical engineering. Often they were without windows, wings or hoods — vintage Chevrolets and Buicks resembling

and Buicks resembling
grown-up go-karts.
At the fish market by the
harbour, visitors are besieged
by eager young men calling
out "jumbos, jumbos." Giant
blue shrimp (4 or 5 ins long)
lay on wooden counters and
in crates of ice ready. Not
surnrisingly, the price of

Back at our camp, we boiled the shrimp until they turned pink and proceeded to stuff ourselves. It was hard to imagine a more perfect meal. For visitors who would

prefer not to camp on the beach, the town has several medium-sized and well-equipped hotels. The best of these is the Vina del Mar – twin-bedrooms from \$50 (£31.25) a night – which has a terrace and poolside bar

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# A bedroom in Bantry

It could be Florence, if it wasn't Cork. But it's definitely very Irish, says Kieran Cooke

door.
The Kinsale Trio was playing at Bantry House. "Melodies for You. Selections from and Wagner." Strauss, Leharr and Wagner. The soprano was beautiful but probably already spoken for by the double bass player in the next room. I would forego the musical evening. Instead, on this blue-pink-skied evening, I'd take a walk round the

gardens.

Bantry is on the coast of West Cork, just about as far to the south as you can go in Ireland. It has one of the best deep water harbours in the world, some of the best mussel breeding grounds in Europe, a main street where there are more pubs than shops...and Bantry House.

It commands a fine view of the bay and contains a few paintings of interest . . " says the guide book. Patronising piffle.

Bantry House is one of those

gems that one occasionally stumbles across in Ireland, a great Italianiate pile complete with gardens full of urns and gurgling statues and continen-tal plants and shrubs, coaxed into growth by the Gulf Stream which throws a warm arm round the waters of the bay below.
It could be Florence. Was

that Harold Acton shoving back a bowl of porridge in the breakfast room? Would Willy Maugham be popping over from Antibes? The whole place certainly inspires flights of fancy. Egerton Shelswell-White is the present owner of Bantry House. The house guide book says he had once been a farmer in Alexana light years area. in Alabama, light years away from Bantry. Shelswell-White is a modest

man in blue suede shoes, cra-dling a teacup with no handle. His family has been in residence for the last 250 years.
"Now we've opened two wings to bed and breakfast guests.
I'm sorry I did not greet you least sight I have you were last night. I hope you were comfortable." Comfortable? The bed was fit

for me and most of the relations, the room big enough to accommodate the All Ireland Final I was suffocating in lux-ury. One of Shelswell-White's ancestor's had played a hig part in putting a halt to French ideas of liberating Ireland when, in 1796, the French fleet had parked itself in the bay. A local man had been sent to sell the French fresh food,

In fact there were only 600 troops ashore and the British fleet was still pottering about in Portsmouth.
The French, sea-sick after

gales on the way across from France, left. So the tide of his-tory turned. That is the story anyway. The path to my Ban-try House bedroom was straight through a wall. A secret door in the library, no less. All most confusing at But then travelling in these

parts can be a little peculiar. I



had not seen the waitress in "Oyster Tavern" in Cork city for 10 years. "Til have a pint of Murphys (the local stout)." I had said a decade ago. "You will not," she had said. "You look terrible and on a day like this with the wind whipping round you'll have a hot whiskey."

This time, as I entered the bar, I trod on a poor woman's foot. "You again!" said the same waitress.

The nun was still in the corner noisily enjoying the ice cream, there were still enough floury potatoes on plates to fill the most cavernous of sto-machs, the windows were still fugged by the steam of satis-

fied eating.

Outside, the good people of Cork went about their business. The city has a 1950s feel

"ARE YOU decent?" asked the soprano. "Nearly," said L But she was not knocking on my door.

The Kinsale Trio was Trio was fleet is just round the corner."

"How many troops are about it Lots of brass plates on doorways. Tiled butcher's shops and the smell of coffee roasting. On the main street the signs and stores have solid, old fashioned names like
"Cash's" and "Woodford
Bourne." "The Venice of
Ireland" is what they used to
call Cork. It still has its so called "merchant prince" families who wield considerable influence. Cork people are different. They talk in sing-song accents, as if they are being tickled in the bath while drinking charmagne.

ing champagne. Dubliners think Corkians are provincial and stuck up. The people of Cork dismiss Dubliners as uncultured, with no appreciation of the good things in life. What of Cork's harbour, its scenery, its opera house, its theatre? I went to a little pro-duction. It was called *Midnight Court*, a Chaucerian style romp full of sex and ribaldry. Written in 1780 by Brian Merriman, an Irish farmer and a mathe matics teacher, the play has the fairies taking Irish men to task for not doing more

marrying. "It gets very warm in here so it's cooler in the bar at the interval," said the manager.

Interval," said the manager.
You needed to cool down from
the stuff on stage.

"Their size, their looks, their
members, their fairness, Their
faces' complexion, their laughter's brightness, their bodies,
their waists, their rear ends pining, freshness, beauty, flower and youth . . . And that just about the priests. I

blushed my way out.

Being Ireland, there was plenty of time to squeeze in a meal afterwards. The Cork region is full of good eating places. There were priests at a table in the Arbutus Lodge, one of the country's best res-taurants. More bawdiness. Between courses, a holy hand was doing up the back of a lady's dress, buttons no doubt burst asunder at the approach of the sweets trolley. She reddened greatly. He took it in his clerical stride. A man quietly dozed at another table. The food was very good, the wine

On the train back to Dublin I sat opposite Samuel Beckett. But that is another story, and But that is another story, and probably - like the soprano - a bit of a flight of lancy.

Bantry House, Bantry, County Cork (tel: 027-50047). The Oyster Tavern, Market Lane, Cork (tel: 021-272716). Arbutus Lodge Hotel, Montenotte. County Cark (tel:

otte. County Cork (tel:

# Sonora's dust and shrimps

A BARREN, hostile desert dominates most of southern Arizona and sprawls irresistibly across the border into the Sonora region of north west Mexico. With its searing heat and blinding brightnes its fascination lies in the motives of anyone who choose to make a home there.

On the three-hour drive south from Phoenix to the border, my companion and I stopped briefly for a Coke in the little truck-stop town of Why. Why is the sort of place you only ever read about in the National Enquirer. a place where the military conducts top secret experiments and stray civilians are reportedly carried away

at night by UFOs. At Lukeville, crossing the border into Mexico involves slowing the car at a check-point and being waved on by bored officials. Once on the other side, the scenery remains scorched and dusty, but there is a sudden and unmistakable change in human tempo.

The road is ravaged by pot-holes. Hand painted signs hung on low-built wooden shacks advertise burritos, beer and fireworks. Small children and mongrel dogs dart blindly across the street in front of passing cars. Some 11/2 hours later we

were approaching the port of Puerto Penasco, or Rocky Point to most Yankee visitors Located on the north east shore of the Gulf of California side of the rocky headland and

required to make the full conversion from local port to tourist resort because it is only really accessible from the US by a fairly gruelling drive. Although often crowded at weekends and public holidays, it remains relatively peaceful during the week. Pitching our tent on a deserted beach two miles from the town, the memory of the sweaty journey

what could accurately be described as home-made

explosives. The tide was retreating as darkness fell, leaving behind a large shelf of rock with

surprisingly, the price of everything in the market more than doubles at the weekend when residents of Tucson drive down to Rocky Point to stock up their freezers. up their freezers.

overlooking the Gulf.
Although Sonora is never
likely to become a fashionable region for central American adventurers, Puerto Penasco is worth keeping in mind if you don't mind a dusty drive and enjoy the taste of fresh

On our return across the border, the US immigration officials at Lukeville were so lethargic that just the sight of an Arizona number plate was enough to let us through without a customs inspection or passport check. So much for the US authorities' "war" on drugs and illegal aliens.

Chris Hasson

## COLLECTING

# A chance to master the Masters

N MANY areas of the art market the dealers have taken a drubbing from the auction houses, which, through their well-oiled marketing machines, have managed to convince both buyers and sellers of works of art that they are the best people to do business with. Now the dealers are fighting back, especially in the field of Old Masters.

In the next few weeks, important exhibitions of Old Master paintings, drawings and sculpture will be held in London by the long-established Colnaghi and Agnew, and, above all, by the much more recent Harari & Johns. The latter is offering for sale 55 top-quality paintings which span the ages from 13th century gold ground Italian to Turner, at 12 Duke Street from Nover ber 16. Indeed, so good and comprehensive is the group that Derek Johns has alerted the Japanese (until now largely immune to the appeal of Old Masters) and pointed out that here is the basis of an excellent instant museum collection. instant museum collection: yours for \$28m.

yours for \$28m.

Demand for Old Masters has increased rapidly in recent months. For example, at Sotheby's last major sale a Jan de Beer "Adoration", which had been left unsold at \$85,000 in 1984 west for \$400,000 juice. 1984, went for £407,000, while a Canaletto, often the first Old Master choice for former Impressionist collectors, made a record £968,000, six times its

because Master paintings seem so ridiculously cheap compared with the over-inflated impressionists and Moderns — the \$5m paid for yet another Renoir portrait of a fat-faced girl would buy a representative group of 10 important Old Mas-ters; and partly because a few

major Impressionist collectors have switched their taste to

Derek Johns has a not-un-typical client who has taken advantage of the current craze for Picasso to cash in a picture by him, pocketing half the profit and using some of the rest to buy a gold ground painting of a Saint by the 14th century Florentine Bernardo Daddi, who has suddenly become an £800,000 artist.

Gold ground paintings are still particularly cheap, believes Johns. (A Gaddi should cost less than £100,000). Their religious subject matter is outside the emotional response of many potential buyers, and there are the usual quibbles over condition and attribution. But in terms of painterly quality, the current prices are ridiculously low.

Another expert, Julian Stock (Sotheby's), plumps for 18th century French portraits as providing some of the best bargains. Other dealers point to 16th and 17th century Italian; to later religious paintings; in fact, to virtually every sector of this market. Even the most sought-after pictures, Dutch still-lifes of the 17th century, interior decorators' pictures par excellence, seldom go above £250,000, the price of a second division Impressionist.

Although the dealers in Old Masters are the best customers of the salerooms, and some times use them to dispose of pictures that have grown stale in their shops, there is little love lost between them. Johns sees Sotheby's and Christie's as wholesalers while the dealers are retailers, offering clients good advice and a com-plete after-sales service. "All the great collections have been built up on the advice of a



\$2m at the Harari and Johns ex

dealer, the eye of one man," he Johns was once head of Old Masters at Sotheby's, and he compares the pressure of work there, running a large department, coping with a constant pressure of sales, attending to hopeful (and hopeless) visitors clutching their "Old Masters", attending meetings, with his untramelled existence as a

catalogued gems. Sometimes it is a case of proving that a painting "attributed to" a good name is actually in the hand of the Master. In his, show a painting of a church interior by Saenredam, the 17th century Dutch artist, fell into this

category.

Julien Stock acknowledges the skill of the dealers in seeking out sleepers. "We do not

New collectors will have a wide choice of very fine paintings, most of which carry estimates well under £100,000, at all the major salerooms

dealer, scanning the world for hidden masterpieces.

His speciality is discoveries. His exhibition includes an important lost Claude, "The Dance of the Seasons", painted on copper around 1660, possi-bly for Queen Christina of Sweden, and priced at 22m, as well as a double-portrait by Van Dyck of the 1st Lord Belhaven and his wife, which had been missing from view for a century, and is costed at just

Each week Johns goes to the bargain basement Old Master sales of Christie's South Kensington, Bonhams, and Phillips, looking for wrongly-

guarantee our attributions," he points out. So great is the sale-room throughput that sometimes a painting is catalogued about 90 per cent correctly; the number of out-and-out bloomers is few. The attraction of the salerooms for the well-informed collector is that discoveries can be made. Stock himself bought what he believes to be a painting by Fra Bartolom-meo of the death of St Antonius for less than £6,000 at Christie's in New York earlier

this year. Harari and Johns does not own all the paintings in the exhibition: some are on con-signment from their owners, with the dealers taking 10 per cent from a sale. But this is no way to make money. The con-stant problem for dealers when they hold a successful exhibition is that they must then go out and buy new stock, invariably at higher prices. Johns acquires few works through the saleroom, but will doubtless be observing the auctions coming up in London, New York, Amsterdam and Monaco

over the next two months.

There is nothing comparable to the Pontormo which Christie's sold in New York in May for £22.7m, a record for an Old Master and confirmation of the new interest, but many interesting items have been lured out by the rising prices. The "hot" artist seems to be Guardi. Sotheby's sold a pair of his Venetian views for a record £2.98m two weeks ago, and in Monaco on December 1 has what is reckoned to be his finest work, another view of Venice, with an estimate rising

The highlight of the season is two sketches of drapery by Leonardo which Sotheby's is also selling in Monaco. They are tiny wash studies on linen which Leonardo threw off when he was still a teenager. But their rarity, and the Leon-ardo name, bestows upon them actionates of up to \$6m each. It is indisputable that top works by the greatest Old Masters — Leonardo, Michelangelo, Raphael, Botticelli, Giorgione

- never come on the market; they are safely locked away in museums. That is why some connoisseurs avoid this sector; it is Hamlet without the

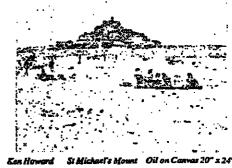
But Christie's has a major Rubens landscape in London on December 8 as well as a newly-discovered Claude. Sotheby's has also just unearthed a Claude in Scotland which carries a very modest estimate (up to £60,000) in its Old Master sale on December 6. In the same auction there are two magnificent Florentine panels of the late 15th century, in brilllant condition, as well as good works by van de Capelle and a Murillo, "The Vision of St Francis of Paola", which carries an estimate of up to £1.7m. There is a Japanese buyer of Murillo, the only Japanese on the books of Sotheby's Old Master department. He paid the record £1.7m in New York this year for "The Virgin of the Swaddling Clothes", a painting, which had been unsold at \$470,000 in 1981 when Old Masters were out of fashion; he will be the major target for this offering.

New collectors will have a wide choice of very fine paintings, most of which carry estimates well under £100,000, at all the major salerooms this winter. Worthwhile work can still be acquired for less than £10,000. It does, however, require an eye and knowledge to buy in the salerooms; you have to imagine the painting cleaned, and you forego the luxury of taking time over the purchase . . . perhaps installing it at home for a week or two to see if it can be lived with Dealers offer such facili-ties, as well as advice.

Colnaghi's exhibition opened this week and concentrates on the Italian Baroque. There are important works by Cavallino of St Bartholomew with the knife that will send him to Heaven, and by Preti of three female Saints adoring the True Cross. If you cannot take such imagery, there are 18th century French paintings which are easier to live with. Agnews show also opened this week and includes some modestly-priced Master drawings.

■ Prices is this article are quoted in dollars because London is just the market place: only one of Harari & Johns pic tures came from the UK. and he would be very surprised if any sold to a Briton. Ameri-cans and continental Europeans are the main buyers, with the Spanish the most recent enthusiasts, reflecting the strength of their economy. And, after a gap of more than 200 years, there are even Ital-ians buying Italian pictures.

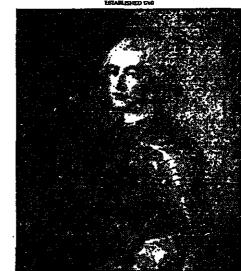
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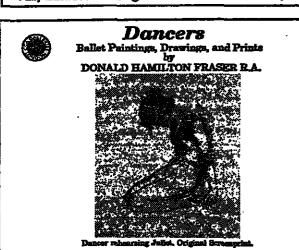
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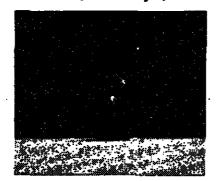
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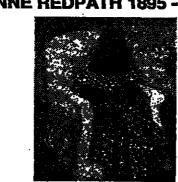


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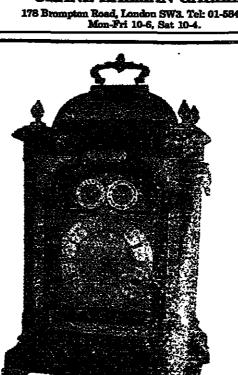
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## PROPERTY

The chic and the cheap: Diana Geddes reports on the château market in France while Audrey Powell looks at the bargain-basement scene

"THE PRICE of a chateaux in France has gone up by 50 per cent over the past two years, and there's no way that they won't continue to rise in the next few years because they are still so underpriced in comparison with equivalent property in neighbouring countries, or with the price of new construction," says Philip Hawkes of the Paris-based international property consultants of the same name.

"Take, for example, Fontaine L'Abbe, a marvellous early 17th century château with Louis XVI wings. It's in Normandy, about 90 miles from Paris, set in the middle of a charming park and surrounded by 250 acres of land. We sold it to Viscount Wisborne last summer. The asking price was F(rSm (about £800,000) and that was considered very high by local French standards. But the equivalent house in Wiltshire or Dorset would have cost at least 23m. though admittedly it would probably be in a better state of repair.

"Many of the French chateaux are often fairly run down. Ever since Louis XIV, the aristocracy and the French equivalent of the landed gentry have been herded into Versailles and Paris in order to be near the Court, only returning to their country cstates for a few weeks a year in the summer; whereas the English aristocracy have traditionally been country-based, with perhaps a small pied-a-terre in London, so their houses are generally much better maintained. better maintained.

"The older generation of French château-owners had little business sense because they were not expected to earn a living. Thus they had little money with which to keep up their houses. But a new generation of successful and prosperous French families is now coming in and are running their châteaux with the same efficiency as their businesses, so they are beginning to be better looked after."

Hawkes points out that a château is a particularly good investment for an affluent Frenchman at present, not least because of the generous tax advantages. Half the cost of repairs, maintenance, improvements and even the local rates are tax deductable. In addition, if you have a listed property - and Philip Hawkes and his wife. Patricia, deal almost exclusively in listed properties, specialising in the 17th and 18th centuries — you can get government grants for repairs and improvements and then deduct the whole of the rest of your cost from your taxable income.

However, by no means all the Hawkes' clients are French. Of the 30 chateaux they sold last year, at prices ranging from £40,000 to £4m, one third were bought by Britons and a further fifth by other foreigners, including Americans, Germans, Swiss, Dutch, and Japanese.

"When you can buy a château with 50 acres of land in the north of France for the price of a village cottage in the south of England, it's not surprising that the British are interested," Hawkes says. "But I don't think 1992 has much to do with it. There have been no obstacles to EC nationals setting up business here since Britain joined the Common Market, and no obstacles to foreigners buying property here since time immemorial."

In France, there is little to choose between the humble farm house and the

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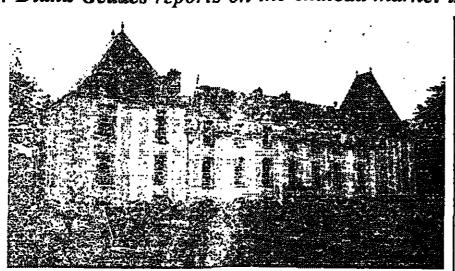
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# Château living on the cheap

big chateau with ten or more bedrooms. The English-style manor house does not really exist. So the chic end of the country property market is fairly small and com-missions paid to agents correspondingly high - around 6 per cent, including 1 per cent VAT.

Many of the chateaux which come on to the market do so because of the French law of "indivision." under which parents divide a set amount of their inheritance equally between their children. If you have two children, for example, you have to give them at least one third each. It is rare for a group of children to maintain joint ownership of a big property successfully for long, Patricia Hawkes says, and the sale of the family home, which may have been into the sale of the family home, which may have been in the same family for generations, can be traumatic.

"We often have to act like nannies to them," she says. "Sometimes they require a particular type of buyer. They're not usually keen on speculators, for example, and no more are we. Our main interest is to see these houses loved and lived in and used as they used to be — by families. You really have to be passionate about chateaux to buy one, because if you're not in love with your house you won't look after it properly. Having a chateau of our own gives us an insight into the joys and worries of it all."

She and her husband, a solicitor by training who has a passion for 18th cen-tury architecture, bought their own mag-nificent 18th century chateau, surrounded by a moat and four 14th century towers, in the heart of Burgundy ten years ago. They have also just moved into almost equally splendid 18th century offices, opposite the presidential Elysee Palace, in the heart of the most fashionable commercial district

of Paris. In addition they rent a delightful 18th century pied-a-terre opposite the prime ministerial Matignon headquarters in the Rue de Varenne in the 7th arrondisement, one of the best residential areas in the city.

However, unlike in the country, "chic" in Paris does not usually mean cheap. Prices at the top end of the residential market, having fallen by around 40 per cent when the Socialists first came to power in 1981, have risen steeply over the past couple of years. For example, you can now expect to pay up to £8,000 a square metre in the Rue de Barbet de Jouy, one of the most sought-after streets in the 7th

Whereas the 16th arrondisement has always been known as the residential area for the rich French bourgeois, it is the 6th with their 18th century hotels particuliers (individual houses) overlooking quiet inner courtyards and gardens beyond, which are considered the most chic areas in which to live, together with the 16th and 17th century houses on the Ile St Louis in the Seine and parts of the Marais around the Place des Voges on the right bank. Average prices in those kind of areas are around £3,000 to £4,500 per square metre, though much depends on the outlook, the state of repair, and the lack or otherwise of noise. One Louis XVI hotel particulier is cur-rently on the Hawkes' books for £20,000

per square metre, for example, but you could opt for a slightly more reasonable 150 square metre, 18th century flat in the Marais for a total sum of £780,000. Contact Philip Hawkes International Property Consultants, 94 Rue de Faubourg St Monore.

TODAY IN France there are two quite different housing markets as far as the British are concerned. Someone has called them the chic and the cheap, which is as good a divi-

sion as any.
There is the traditional, pricey, top-level market in the south and there is the new bargain hunting market on the northern fringe, born of the coming Channel tunnel and the realisation that prices were about a third of those in

Britain's home countries.

Not for long, though. Prices are rising noticeably along the coast and the trend is spreading out as sellers cash in on their luck. A recent French Chamber of Commerce seminar was told that 2,000 British bought across the Channel in 1987 and 4,000 in 1988. The fig-ure could be 12,000 to 15,000 this year. If you plan to join them, remember that while an old property will surely be the cheapest initially, it could eventually work out dearer than a sensibly-priced new place when essential improve-ments have been done. A low-cost home could turn

out to be a town property that is more likely to be depressing than "cheap and cheerful" and could be difficult to resell, at least until a resale market develops among the British themselves. Try and get professional advice before you embark on an ambitious refurbishment job - and remember that, with a lot of the new agencies which offer this type of property, their enthusiasm may be greater than their expe-

rience.
London-based Spratley and
Co (Tel: 01-930-9803) which has been handling French proper-ties for five years, can offer a compromise. It offers studio flats in Residence Victor Hugo, right in the heart of Boulogne, ten minutes from the tunnel opening. The flats are in an older building on four floors, with lift, but are newly refurbished so there should be no open-ended improvement bill. Prices are from £25,000.

They would be useful for anyone setting up an office in the town, suggests Birgitta Spratley. "Or if you just wish to experience the ambience of la vraie France and live as the French do, then the centre of Boulogne is for you, with fruit and vegetable markets lining the streets, flower markets interspersed with the aroma of fresh fish, hustle and bustle on your doorstep . . . For someone seeking more

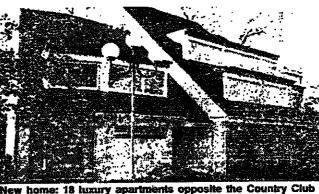
relaxed weekends, she feels

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# Rich pickings at both ends of the scale



Old home: farmhouse and barn with one acre, two miles from nfront. Normandy: £18,000



elot; from £32,000 for a studio

that Hardelot might have greater appeal – the Edwar-dian seaside resort near Le Touquet has been developed as a smart leisure village for the French and more recently the British. Here a new project is the Country Club Residence, opposite the club of the same name and close to a golf course, with another to be opened next year. Spratley is offering studios here at £32,000.

The company points out that prices in the resort have gone up 6 per cent in the last six months. Mortgages are avail-able at 10 per cent to 11 per cent from French finance houses and some banks with branches in the UK. Buyers tend to be offered fixed rates for five to 15 years.

However, there are various options. It is perhaps surpris-

ing to find a city-orientated agency such as Barnard Mar-cus (owned by Royal Life) turn-ing up in this field. Barnard Marcus has a new office in Paris which handles commer-

propositions that might interest developers. For the private buyer they suggest La Pastourelle, a block of holiday apartments in Benerville-sur-Mer,near Deauville, with one-bedroom flats from £36,000. "In terms of value London cannot compete with these," says the agency's Jack Scott. The company offered some of these at an exhibition

cial property and is just open-ing one in the Calvados area of

Normandy (tel. 010 33 47 35 06

54). From here they will be handling individual properties from Calais to Cherbourg, as

well as sites and conversion

in Hong Kong recently and they were "snapped up" by

minvestors.

Barnard Marcus also offers the usual crop of barns at \$10,000, which need a fortune spent on them to make them habitable. However, a lot of pantable. However, a for of people are "in the dark ages over prices" on this coast and don't realise how they are rising, says Scott. "They still come looking for a five-bedroom house at £25,000. But he can offer a converted two-bed-room property in a village like Lisieux, 40 miles inland from Deauville, at £20,000. Aware how little time people may have on property-hunting weekends, the agency will be sending applicants detailed questionnaires and hope to give them particulars only of properties that would really

Normandy Cottages is a new London-based company (Tel: 61 229-8866) run by two women with previous experience in the property and insurance worlds. It shows in their bro-chure, which is full of neatlyarranged information on finan-cing. French law and travel routes. Director Rosemary Bellingham warms that properties near the Channel tunnel entrance are getting very expensive (though who would struction work under a film of grey dust?), so she suggests that you look away from that

part of the coast. South of Abbeville, 30 min utes down the road from Boulogne, for example, prices drop considerably. Bellingham rates this as a good investment area, as it is near the new motorway route across to Rouen. "The whole district will open up and in a couple of years prices will double," she forecasts. Lower Normandy is still cheaper than the north, and

further west to Cherbourg is cheaper still. So, a few sugges-tions for rural property-seekers from her "cheapie file." A stone property in a quarter of an acre near Coutances, two bedrooms, bathroom, 20 minutes' drive to the sea, is £27,000. A farmhouse and barn in an acre with a stream, 20 miles from Domfront, has a sound structure but is currently uninhabitable. It does however have a lovely view and the barn has potential. The price is £18,500. Or there is a cottage in a pleasant village 22 miles from Domfront, with two bedrooms and attic. It needs a bathroom and central heating, but the roof is in good condition. The price: £16,000.

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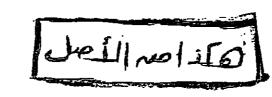
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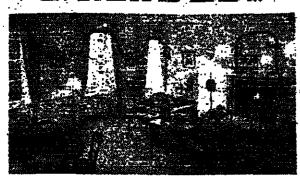
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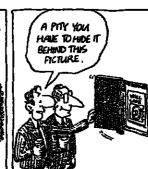
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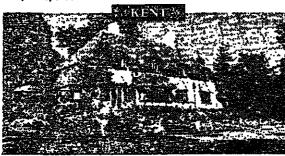
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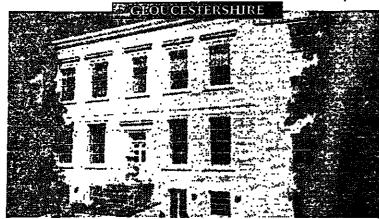
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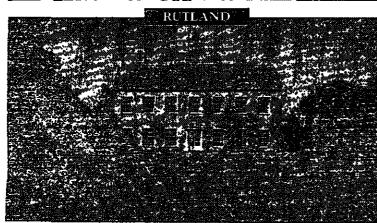
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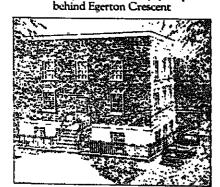
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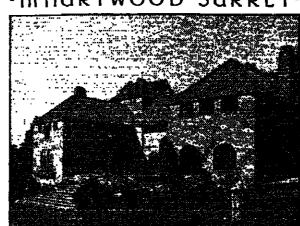
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All the main rooms are of spectacular design and materials used inside the house include solid oak for doors and floors, with stone for fireplaces and door seches. Magnificent arched windows lead from the derwing room and the dising room onto the central score terrace which features a charming pool. On the third side of the terrace is the loggia with graceful arches facing east, south and west.

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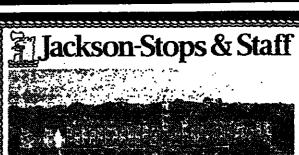
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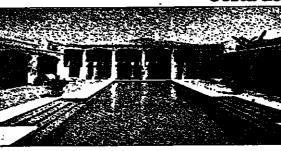
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## **PROPERTY**

**HEN David Symington** and John Garveigh began their property partnership on Portugal's Algarve coast 25 years ago, they were selling apartments and villas at \$5,500 each. Now, those homes change hands at £50,000. One is on the market at

in those days, they recall, the prov-ince was little known. Estate agents sold on the merits of its quiet rural roads, its cottages with quaint pepperpot chimneys, and the clouds of almond blossom in spring. Property brochures were full of fairy-tales about a Portuguese nobleman marry-ing a princess from the north who missed the snow. He planted the area with almond trees so that one morn-ing, when they all came into blossom,

he said: "There is your snow!"
Nobody sells the Algary on fairy stories now; instead; you get hard facts about the rise in property values. And as for the abound blossom, ever more trees are being ripped up to make were for factor mode. make way for faster roads.

Symington has long links with Por-

tugal — his grandfather went to Oporto in the wine trade and the fam-ily remained. "I went to school on a donkey," he recalls. After more educa-tion in the UK and a spell in the City, he arrived in the Algarve as an associ-ate of a London estate agency.

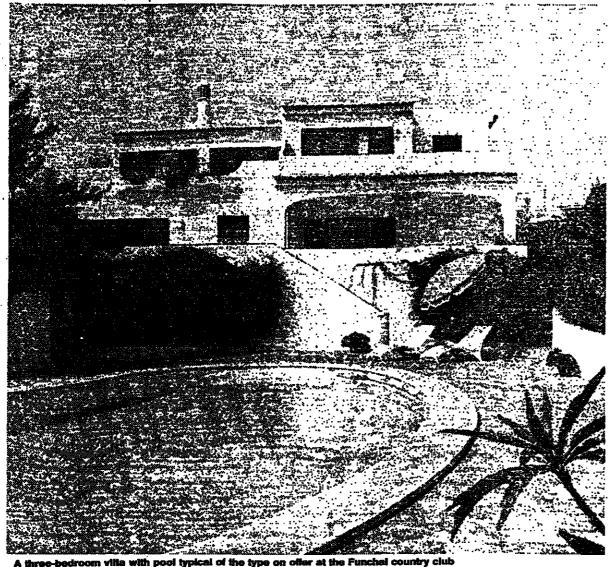
Garveigh, a property man, walked into Symington's office looking for something to buy. They became partners and have worked together ever since. (Garveigh now has personal links with the country too...) he man since. (Garveign now has personal links with the country, too – he married a Purtuguese girl). Their company, Alpart, has always been involved with the western Algarve which, they stress, is still an unspoilt section of the coast.

The old market town of Lagos is 70

minutes' drive from Faro airport with its new terminal — a garish concoc-tion of mustard yellow and red tubes. Unlike many other tourist spots, in Portugal and elsewhere, Lagos has been allowed to keep its character and has probably been improved by its main shopping lanes being paved and turned into pedestrian zones. There is supposed to be a freeze on

new building along the Algarve while development is absorbed and major road works — such as the Portimao by-pass and the expressway being built inland of the original coast road continue. However, since the municipality of Lagos avoided the over-building of some other coastal towns, and produced a comprehensive development plan and stuck to it, it has been excluded from the freeze. Alpart has a whole basket of devel-

opments with recreational facilities under construction or planned for the Lagos area and beach sites at Praia da Luz and Meia Praia on either side. Prices start at just under £50,000 for a one-bedroom apartment while around £120,000 will buy a three-bedroom villa in half an acre. The company is about to start selling bigger properties in approximately two acres of ground at roughly \$350,000.



# The unspoilt Algarve

But there's plenty of building in the west, says Audrey Powell

are to be built beside the beach, at Pinhal de Maia Praia, with pre-con-struction prices starting at \$44,800. There are similar starting prices at the Waterside Village at Praia da Luz. Here a two-bedroom, two-bathroom duplex penthouse is £75,700 (pre-con-

struction).

At the Funchal country club on Funchal Ridge, overlooking the Bay of Lagos, you are told that houses with pools in 2.5-acre plots sold for £25,000 late in the 1960s. Today, they re-sell at £300,000 to £400,000. Only half-acre plots are being offered at the country club but a choice of two- to four-bed-room villag can be built on them. A room villas can be built on them. A three-bedroom type, with pool, costs £145,000 including plot.

and the state of t

Symington and Garveigh are strong on pre-construction selling and, obvi-ously, it helps to get money into the coffers early. "Interest rates are terri-bly high," says Garveigh. "As devel-opers, we pay 22 per cent — and we hardly borrow from the banks at all."

Early buying can benefit the pur-chaser even in the short term, he points out. There is a considerable increase in value during construction of each project - 35 per cent in one scheme, 45-50 per cent in another.

The partners also are keen on let-ting, for which they offer a choice of systems. They say about 70 per cent of owners let for some part of the year. Thus, they offer a full management and letting service which

includes marketing to tour operators, travel agents and the public. In one development, the return on a two-bedroom flat has risen from £2,400 a year in 1984 to £4,200 in 1988.

One unusual feature of Alpart's operation is that Robin Crosland, its architect, also heads the management company. Generally, when a develop-ment is finished the owners never see the architect again. But Crosland is around all the time, ready to hear any criticism and seeing for himself how different ideas are working out.

Some 80 per cent of Alpart's sales are to British and Hong Kong nationals. While 1988 was a record year, this one has been patchy, sales to UK buy-ers are down by a third. The company

now has an agent active in West Germany and is developing a wider over-

seas market. Alpart says its typical buyer is aged between 32 and 36, and is married with two children. He chooses an apartment which he uses for five weeks a year. After five to seven years, he sells and decides to build a villa with a pool - which he uses more it costs him about £120,000.

Just now, the company's re-sale department has something rather spe-cial on offer: Turtle Creek, a 7,920 sq ft house completed in 1984 and overlooking the 12th green of Penina golf course. It took 21/2 years to build. Inside, there is a circular marble staircase and a first floor drawing room that opens on to a marble paved terrace with a balustraded double external staircase. There are two other reception rooms, a summer room, five pedrooms, three garages and a swimming pool.

Although it has only an acre of its

own grounds, the owner points out that it is surrounded by the golf course - which is tended for free. Price: £750,000. All these properties are available through Alpart in Lagos (tel. 63-721) or Hamptons in London

The western Algarve is becoming popular. Between Lagos and Praia da Luz is Quinta da Boavista, where Bovis Abroad is now putting in the infra-structure for a 190-acre site development. A green area separates it from

There are 160 villa plots for sale at around £50,000 each. On these, the company will offer purchasers a range of properties ranging from three-bedroom, two-bathroom villas (building cost £190,000). It finds that using this method keeps capital commitment down. There will also be 120 terrace houses in a landscaped garden setting available from next summer, priced between £95,000 and £110,000.

This development, in the style of a low-density country estate, will have tennis, mini-golf, swimming pool, clubhouse and restaurant while a 175-bedroom hotel is planned. But it is intended to sell this for development by a service investment group. (Details: Bovis Abroad, 127 Sloane Street, London SW1X 9BA. Tel. 225-0411).

Bovis Abroad was formed earlier this year by the Bovis Construction Group to develop its resort interests. It has eight projects, including two others on the Algarve.

One way and another, for an area that is supposed to be digesting quietly an over-generous feast of development, the Algarve is not doing much rest-ing. Plans were announced recently to spend £300m on expanding its 1,000-acre Vale do Lobo resort. This will include building a further 1,000 villas over the next 10 years, so doubling

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cal gardening. Modern politi-

cians pen their memoirs; Richard Temple, 1st Viscount

Cobham, expressed his mani-

festo in mortar. Cobham broke with the gov

ernment in 1738. Thereafter, his garden, begun on formal lines a decade before by Brid-

geman and Vanbrugh, became at once more informal

(through the offices of Kent and "Capability" Brown in

creating the poetically named Elysian Fields). Its ornamen-tion became implicit criticism

of the corruption of Walpole

and George II.
Temples, monuments and

statuary, and their inscrip-tions, symbolised the ideals of

the Whig "Patriots" grouped around Cobham's nephew the

elder Pitt, in opposition to Wal-

pole. The quality and profusion of these buildings may be

prises more than 100 acres of raw nature artfully improved. "The Won-

# Sex, drugs and other hedgehog hobbies

Robin Lane Fox tracks down a nocturnal visitor

year, I have been sharing the garden with a third party. I suspect I have now seen the last of him, but he has gone out in style. Last Sunday, he was pinching the apples which had fallen into the long grass: he was plainly guilty because one apple was sticking to his backside. It will soon be too cold for his usual antics at night. He will have retired to bed and I will be left to face

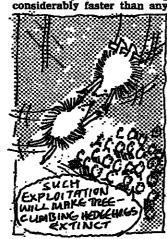
the dead borders without my hedgehog to keep me company. Hedgehogs have a life-style that you might recognise. They come to life from 6pm onwards. Given half a chance, they pre-fer to go to bed all winter. Four-fifths of their active life is spent in eating and looking for food, and about half of the rest is spent on attempts to charm the opposite sex. They have developed a taste for suburban life and they are remarkably promiscuous. Before you think you have a male chauvinist hedgepig in your office. I must insist that there is no truth in the belief that hedgehogs take off their prickles by daylight and mix with humans on equal

In gardens, they have their uses. They will sometimes eat birds' eggs, to the annoyance of gamekeepers, and I once saw a hedgehog which was attacking a farmyard hen. On a normal night though they cet mal night, though, they eat slugs and beetles. They con-sume so many that hedgehogs, when dissected, have been found to contain more than 100 insects from one night's foraging. This year, the slugs have been sliming everywhere and I like to think of my companion gorging himself on their sil-very traffs by the pale light of

The fruit, I admit, was a surprise diet. I have an ancient book on the animal kingdom which claims that hedgehogs will climb trees. It also claims like Dr Johnson, that swallows fly together, englobulate them ny together, engionulate them-selves into a ball late in the autumn and disappear into a pond in order to pass the win-ter under water. Tree-climbing hedgehogs sound like a similar long-shot although this book doubts, correctly, that hedge-hogs will suck milk from cows.

Often, they sit close to cows because cows attract insects. not least to the cow-pats: the hedgehog's taste for milk is served better by friendly gardeners who leave them a saucer in the evening.

Outside gardens, hedgehog habits remain mysterious. One of the keenest hedgehoggers is Martin Dowie, who has been tracking them by night for four years, using radio equipment. He wrote-up some of his findings in an August issue of Country Life, which coincided with my hedgehog's most active phase. Like Dowie, I timed my companion with a watch. At 6pm, he was moving



car trying to leave London at that hour. We agree on about 150 yards a minute as the speed of a hedgehog in top

Dowie's specimens (not mine) are remarkable wanderers. Hedgehogs have now reached New Zealand, but only because we loosed them there early in the 19th century. In Britain, a country hedgehog likes to wander over as much as 150 acres a year in Italy, they are reported to need up to 250. On one night, Dowie tracked a determined individual who snuffled over at least 2.34 miles in one night with time for a quick pass at a female who happened to be

seems that, for once, the late Alison Uttley knew what she was talking about. I well remember one of those Little Grey Rabbit books for children which included an encounter with a rogue-ish Wandering Hedgehog. Hedgehogs are, indeed, vagahonds but it was only Uttley's fancy that they smoke drugs round the bonfire.

Her Wandering Hedgehog tried to turn on Hare (he gave him a wodge of hallucinogenic tobacco and told him to smoke it when Little Grey Rabbit was

not looking).

Perhaps this little secret was my hedgehog's, too. but he broke most of the rules of thumb in Dowie's article. For a start he weddled around hanstart, he waddled around happily in daylight, snuffling on the lawn when he was supposed to be in bed. He was not much of a wanderer: about 50 yards seemed enough for him before he rolled himself up in the dead grass which I had poisoned in spring beneath my pink-flowered Complicata roses. Hedgehogs have very sharp hearing through their lit-tle ears, but are said to be short-sighted. My friend always chose the shortest route back to his nesting place, and I find it hard to believe that he had not seen it when he chose it.

I have written as if there wa only one companion but, until mid-June, there were two. Keen hedgehoggers believe that hedgehogs spread out at the rate of one per 25 acres, but Quite what happened we will never know, especially as Dowie confirms that hedgehogs are capable swimmers. One Saturday morning, we found the second hedgehog dead in the water beneath the floating plastic cover of the swimming

keen sense of smell, but the pool was emerging from one of its dark, primeval phases and was reeking of chlorine. Per-haps it was a dare; perhaps there had been a fight; or per-haps the hedgehog was bolder than anyone in our family and risked a swim before the pool was blue. In gardens, ponds are well-known hazard because hedgehogs jump into them, perhaps to catch insects, and nnot clamber out. Swimming pools are another matter, unless Alison Utiley knew the reason and hallucinating hedgehogs are much comStowe and Biddulph Grange: special claims to a place in England's landscape history

# An exercise in political gardening

appropriate to a family whose motto is *Templa Quam Dilecta* — how delightful are thy temples - but their rhetoric is a visual equivalent to a satire by

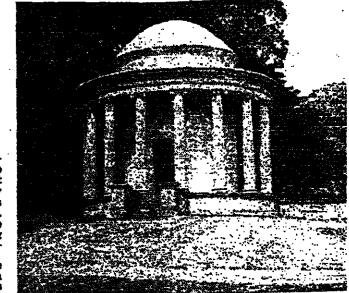
Opposite Kent's delightful rotunda. The Temple of Ancient Virtue, for example, was the Temple of Modern Virtue, built as a ruin. Answering Ancient Virtue, is the Temple of British Worthies – Eliza-beth I, Bacon, Shakespeare, Newton, Locke, Milton et al – carved by Rysbrack and Schee-

Aesthetics and allusion walk hand in hand for the two buildngs reflect one another perfectly in the water between. Elsewhere, King Alfred was set up as a model to George IL Gibbs's Gothic Temple is dedi-cated to the Liberty of our pointed juxtapositions conerary alhusion would be lost to a modern audience were it not for the numerous 18th century guidebooks, and the rapturous poetry the garden inspired. This Stowe literature has also proved crucial in piecing together the original appear-

ance of the garden.

Amazingly, however, the bones and a great deal of flesh of 18th century Stowe survives unaitered. It is the aim of the National Trust's £1m appeal, launched last week, to add to the £10m already raised to restore the landscape and its 37 listed buildings - which it received from Stowe School this summer - to something approaching their former

One of the greatest problems at Stowe is the natural height of forest trees. Dense massing and over-large trees now dwarf



admired glimpses of house or monuments. Woodlands are past their prime. A tree survey is already underway. Meanwhile, one of the first acts of the 15-year restoration plan will be to partly replant the school's second great avenue with limes, oak and beeches.

If funds were forthcoming, the king on the cake would be

the 1920s. The whereabouts of the majority of the pieces are known, and include some of the finest sculpture ever pro-duced in England. For details of the appeal contact the National Trust, 36 Queen Anne's Gate, London, SWIH 9AS.

sold in the great Stowe sales in

Susan Moore

## Digging for history **IGGING** means one thing to an archaeoko-

gist, another to a gar-dener. To the National Trust it has both meanings, especially has both meanings, especially in its work to restore the unique High Victorian garden created 140 years ago at Biddulph Grange in Staffordshire. Biddulph is a huge, costly and important task, due to be completed in 1991, which shows that the Trust is well aware of garden archaeology while anngarden archaeology while appreciating that gardens are living, changing things. Garden-

ers have to be pragmatists. The Trust uses archaeology to discover precise details of a garden, the general plan of which is known, and to find the plants of the period. But no historic garden is ever solely a museum piece. Trees grow, some plants no longer exist and neither do the armies of gardeners. So the approach is practical and yet respectful.

was made in splendid style and has had the good fortune to remain unaltered. Since 1923 it has dozed in the grounds of an orthopaedic hos-

pital. The garden has drifted, vandals have come, the sunken Dahlia Walk has been filled in, but basically the garden survives as a complete and still secret period piece. In order to seize this oppor-tunity, the National Trust last

year waived its usual require-ment of an endowment, which the Staffordshire Moorlands District Health Authority was not in a position to give, and launched an £800,000 appeal. While the money is being raised, excavators, builders and gardeners have got crack-ing. Today the diggers find out where the tree stumps, drains and border edges were; tomor-row there will be new trees and stonework to replace them. In 1991 Biddulph will be a new chapter in the story of the English garden. James Bateman, heir to an

industrial fortune, designed the italianate pile of Biddulph Grange and created the gar-den, which finally cost so

much that he had to sell up. A botanist of international repute, he specialised in orchids, which became his fascination when he was an undergraduate at Oxford. Even at that early stage he commissioned men to go and search for orchids them in the

The garden itself got going in 1849, when Bateman called in Edward Cooke, the artist, to design it. They brought the world to Biddulph, both in garden architecture and in plants. The stumpery leads to China, complete with Chinese temple and verandah, which can also be reached through a megalithic tunnel. The Dahlia Walk ascends towards Egypt, represented by a temple court with stone sphinxes. The pylons and obelisks of clipped yew capture the chunkiness of gyptian buildings. Enter the temple portal and the statue of a monstrous god awaits you — an ape bathed in ruby light that seems to come from a mysterious world somewhere If you turn right as you meet this delty, you reach a twee Cheshire cottage, all black and white timbers, now

black and white timbers, now used as a tea house. Or you could get there by taking a long walk through the pinetum, passing the bowling green and the quoit ground and pausing to admire the wellingtonia. To reach the pinetum, you take another Cyclopean tunnel at the end of the rhododendron ground, where more inegalithic rocks form an artificial outcrop in the glade, artificial outcrop in the glade, crowned with bilberry.

Across a small lake lay the monkey puzzle parterre and the start of the Dahlia Walk. The walk was found to begin at a fountain - unknown before - and lead past a twolevel border of dablias set against a backing of yew. More yew comes down at right angles to set the gaudy dahlias

in dark green boxes.

At the far end of the walk the diggers discovered stairs, also unknown, leading to the Eastern Terrace in front of Egypt and to the stumpery, which will have to be cunningly restored. It is straight from a dream or fairy tale - a wood of unturned tree stumps, their roots sticking out ready

to entangle you. The re-awakening of this sleeping beauty of a garden will reveal not only 18th centary rolling vistas, but colour and texture planted informally. It is divided into always nnexpected rooms and spaces
- leading straight to William Robinson and Gertrude Jekyll, Sissinghurst and Hideote, Bid-dulph's final lesson is simple: the world really was our oys-ter in the mid-19th century. The immigrants of those days were the exotic plants. They came from throughout the

globe to Staffordshire.

The Biddulph Grange Garden Appeal, The National Trust, Attingham Park, Shrews-bury SY4 4TP.

Gerald Cadogan

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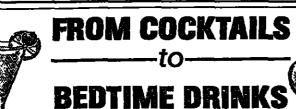
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shade of Green David Bellamy tells Christian Tyler how market forces can help the environment AVID BELLAMY is a different shade of "We've been trying to roll this ball of concern up a bloody

the market. The bounding botanist with the bushy beard, familiar to miltions of armchair naturalists, bears the scars of 30 years of campaigning against man's degradation of the planet. He has been attacked verbally and physically and has even been put in jail.

The Market

But now that conservation is legit and he finds himself suddenly on the winning side, Bellamy sees nothing wrong with taking money from businessmen, bankers and property developers if that means a planning gain for nature. He will even sanction the rich man's recreations of pheasant, partridge and grouse shooting (although he abhors fox-hunting) because of the money it



puts back into the land. "The destruction of the world has been market driven," he said in London last week. "I think the solution has got to be market driven too." The environment is big politics these days. Bellamy, who has never voted in a general election but is probably a sort of Fabian, thinks that is a big opportunity to persuade com-panies there is profit in being clean and green. It may be that industry wrecked the environ-ment, but only industry has

ATTROSE, LIKE

surely a confusing number to all but the already initiated

drinker. For the autumn season they have introduced 48 new wines, of which 11 are more recent vintages of those already available. Of the new

additions I have picked out the following, with brief com-

IN

A CLASSE

ITS OWN

CHATPAU RAMAGE LA BATISSE

other supermarket chains in Britain, has a very large

great mountain, he says in his vigorous and distinctively occluded voice, "And now the whole green movement has got it there, there's no earthly good turning round and saying 'Oh, Mrs Thatcher's only doing it for votes or TCI's only doing

A rather different

involved with big business. For example he is chairman of the committee that vets companies for a recently established "green" unit trust run by the Trustee Savings Bank. The portfolio includes such unlikely names as BoC Group, British Steel, Hawker Siddeley, Trusthouse Forte and Procter & Gamble. They are all chosen because in one way or another they reduce pollution or save

Bellamy admits there is really no such thing as a green company: that is, no company you could call "squeaky green". But he thinks conser-vationists should help nudge them towards that end of the spectrum, not merely stand outside and shout Stop!

After Mrs Thatcher's famous speech on the greening of the Tory Party, Bellamy thinks the conservationists lost "an immense amount of potential clout by not all holding hands together and saying 'we are the experts, come to us for advice. We are not going to give it to you. We'll sell it to you." Bellamy does not give his opinions free. His Conservation Foundation, run from the Royal Geographical Society in Kensington, is paid by names like Pitney Bowes, BP, Ford Motor and the Natwest Bank to

His consultancy, David Bellamy Associates, is in business to make environmental impact reports. It got into terrible trouble recently when it took

advise them on their eco-im-

it for profit, because they are trying to do it."

Dr Bellamy has become quite

on the job of advising a prop-erty developer in Hull on how to save the frogs who were breeding on his building site. Bellamy was accused by local objectors and civic leaders of selling out to hig business and trying to make a million for himself.

Is he, then, a millionaire? No. But he agreed after a little prodding that he "makes a very good living". He lives in Durham but, at 56, is still constantly on the road. The big botanist lends his

name and presence to commer-cial ventures such as the plastic substitute for tropical hard-woods, or the Birmingham factory that makes fuel and compost out of domestic rub-bish, or to bodies like the Co-op for which he has a natural sympathy.
Tm turning down directorships and all sorts of things. I never thought I'd be so popu-

Actually, David Bellamy thought he would be a ballet

**High Street Wine** 

dancer.It was a book by Sir James Jeans, the former Astronomer Royal, called Science and Music that revealed the mysterles of musical har-mony to him. With his natural athleticism, Bellamy decided ballet dancing was the answer.

But he grew too big. He went to university and became an academic only after a series of nondescript jobs, mainly, he says, in order to mainly, he says, in order to keep up with his wife Rosemary. "She was much better than me". The couple have a son of their own, Rufus, presently working at Kew Gardens and four adopted children, born in England but all of different races: Henrietta, Brighid, Eoghain and Hannah. Bellamy became a public figure when he was working on marine biology in the area that the Torrey Canyon went down and made some outrageous

and made some outrageous observations in a TV interview with John Craven. He has scarcely been off the screen since. The doctor is an awkward Green in other ways. He went vegetarian two months ago -not because it is ecologically proper (he explained at length why worldwide vegetarianism would be a catastrophe) but because he wanted to lose

Although appalled at the destruction he sees going on around the globe, it is clear he has little time for the idealists. One day, in a perfect world, we might be able to the things they dream of.

"But if we wait until the

whole of the wealth-generating machine has killed itself, we will have killed so much of the world that the meek won't have much left to inherit.

"The growth industry of the future is re...ha.. bilitation." Bellamy spells it out as if for a TV audience of millions. "We smashed it all up. We can't afford to put it back. So therefore we have get to So therefore we have got to make the money to put it

near Perpignan has a nice, fruity but dry bouquet, a dry if not very long flavour, and surely preferable to much "wedding champagne" at a remarkably low price.

Omar Khayyam Brut, N.V. (5.95) This surprising méthode champenoise wine from India is

(each £3.95). From one of the most distinguished Jerez shipsherries at an exceptionally



(\$3.45) and La Rioja Alta, Vina Alberdi Rioja Crianza 1985 (\$4.25). The first is pale, young tasting, with not much bouquet, but easy drinking; the second has a brownish tinge, implying age, has an oaky aroma, and a more developed flavour, worth the 80p extra.

Teroidego Rotaliano, Gaierhof, 1988 (\$3.15). This is atypical example of the Trentino's special red wine, with very hig colour, almost black, strong on the nose and the palate; a

Cosme Palaccio Rioja 1986 (£8:45) zud La Rioja Alta, Vina

the nose and the palate; a mouthful of wine, but it will be more approachable in a year or so, and worth keeping.

Avignmest Grifi 1996 (£9.55).

The non-DOCG vina da tavola of one of the most distinguished Vino Nobile di Montepulciano firms, this well-col-oured wine has fruit and tannin, but has a long way to go before it opens and rounds

Domaine de Puget, Bin de Pays de l'Aude 1983 (12.35). Made entirely from the Meriot grape this Midi wine has not a

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great deal of body, but is an example of the agreeable quaffing wines now being produced

in the south of France and is good value.

Ch. Senailhac 1985 (23.25).

Already distinctly browntinged, this has an attractive soft bouquet and a light but true claret flavour that shows the appeal of near-basic Bor-deaux. To be drunk.

Waitrose Special Reserve Claret, Médoc 1985 (£A.45). On the other hand, while this has good style, its probably Caber-net tannic base needs more

Ch. Lascombes, Margaux 1979 (215.50). This second-class-growth has very good colour for the age, a lovely bouquet, and complete, rounded flavour. A fine example of distinguished claret, costly but not compared for a top-per. not over-priced for a ten-year-old classed growth.

Les Roches Blanches, Côtes

du Ventoux 1988 (£2.05). With a distinctive aroma this is a surprisingly forward example of a minor Rhône district and easy drinking.

drinking.

Lindeman's Bin 50 Shiraz
1986 (24.95). A full-coloured
South Australian wine with
oak on nose and palate, but
agreeably round. Good value.

Ch. de Prude, Côte de Castillon 1996 (24.15). This organic
wine from a fairly basic Bordeaux district from which the
Engrish were elected back in English were ejected back in 1453 is brownish in colour, soft on the nose and palate, but with a long taste. Attractive for present drinking with a touch of class. WHITE

Soave Classico, Vigneto Colombara 1988 (£3.55). The latest vintage from a previously listed vineyard has a crisp,

A confusing variety aggressively dry, with suffi-cient acidity to give it an authentic "cut."

Avignonesi, Il Marzocco 1987 (28.45). Not new to this list, but after the currently disappoint-ing unready red wine this excellent Chardonnay, with oaky flavour and full, long fla-vour is worth recommending. (25.95). This has a fine crisp nose, and a dry but engaging flavour typical of the wine. Dis

Sancerre, Domaine du Fort 1988 (25.45). Unilke much Sancerre this is dryer and more austere than its across-the river neighbour, Pouilly Fumé A matter of taste, but in this instance I prefer the Pouilty.

Vin de Savoie 1988 (£3.45). Savoy wines can be piercingly dry, but this Chardonnay has a fresh, light aroma and a fla-vour of Chardonnay character. An attractive wine seldom

found here.

Saint-Véron, Les Bois 1987
(£4.95). From the Vinzelles co-op adjoining the Pouilly-Fuissé district, this has a fruity bouquet and more character than is often found with this wine, and less expensive than

its neighbour. Chablis, Fourchaume 1986 (29.75) This premier cru from the Chablis co-op has an oaky bouquet and the authentic dry, crisp clean flavour. Although pricey, distinctive Chablis is at

least a good deal less costly than Côte d'Or whites. Cooks Hawkes Bay Chardon-nay 1988 (24.75). A good exam-ple of New Zealand whites that have now made a considerable reputation within a few years. This is oaky, but with a Chardonnay flavour, ample and complex Excellent value. Waitrose Riesting 1988 (12.95 a litre). With some sweetness

this has authentic Mosel flavour, and an excellent, very good value party wine.

Erbacher Siegelsberberg, Spätiese 1985 (26.95). A Schloss Reinhartshausen wine, this has a distinguished Rheingau fla-your but ends a little dry. Good

drinking now.

SPARKLING WINE Waitrose Blanquette de Limoux Brut, N.V. (£4.95). This méthode champenoise sparkler from

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pale in colour, has a fruity nose and a slight but not exces-sive sweetness. One could have wished for a less literary name.

Waitrose Manzanilla, Dry Amontillado and Dry Oloroso

Edmund Penning-Rowsell

# Wines of Westhorpe LGAR

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opical facer Amenovgrad Mavrad 1984 – Courts 

Balkan Crown Ricaling-making specia

BULGARIAN CASE-1 bank of each of TOP BULGARIAN CASE-1 bade of

RESERVE CASE-2 boples of each of the 

## Fight them on the **Beeches**

THE CITY of London has become the latest recruit to the Nimby (Not In My Back Yard) movement by joining in local protests against a planning application in rural Buckinghamshire that is due to be decided on Monday. The back yard in this case is a site a few hundred yards from Burnham Beeches, the ancient woodland in south Buckinghamshire that the City Corporation has owned for more than 100 years for the recreation of Londoners

**Buckinghamshire County** Council earmarked the 129-acre site between the woods and Slough Trading Estate as suitable for sand and gravel quarrying.
Summerlease, the company
that has been working part
of the site for about six years, sought permission 18 months ago to extend its operations and a local campaign against it has been under way ever since. This week, the corporation wrote to all the Buckinghamshire councillors urging them to turn down the plication when it comes fore the planning committee

In spite of earlier protests,

**Both sides have** commissioned expert reports to bolster their case. The City's experts claim that dust from the workings and lorries will clog the leaves and damage the vegetation of Burnham, and that lorry traffic will disturb the recreation of its visitors. They and other protesters also claim there is a pollution threat to water supplies.

in Aylesbury on Monday.

Peter Salmon, chairman of the Save the Beeches protest group, thinks there is a north-south divide opening up in Buckinghamshire. Of the 24 quarry sites identified by the county planners, 20 are in the south. But 20 of the 23 members of the planning committee live in the north. Just because we are near Slough, we are regarded as the dustbin of the county," he said. "No wonder there is a movement to secede from the county council and introduce perestroika to south

Summerleaze says it has already bowed to local worries about lorry traffic by reducing to 100,000. At this level, said
William Kirkpatrick, a
director of the firm, the venture was "a marginal

Despatches/Lampeter

# Devil takes the English

past week, the citizens of this small market town in West Wales have had to kick their way through piles of pamphlets strewn about their streets and pushed through their letterboxes. One of my neighbours - a woman who almost every day sweeps up the leaves shed by loutish autumnal trees outside her door - tells me that these pamphlets have been delivered

by the Devil.

The Devil, Lucifer, Old Nick:
he comes in many guises, and
on this occasion he is masquerading as the Seven-Day Opening Council, and his hellish home turns out to be Llandrin-dod Wells. He has been trying to persuade the people of Lam-peter, who belong to the district of Ceredigion, that Ceredigion's pubs should be gion's pubs should be permitted to open on Sundays. For more than a century, Sundays in Ceredigion have been dry. Westminster, under pressure from the Welsh non-Conformist lobby, created this weekly desert. By a series of referenda, since 1961, the vari-ous districts of Wales have

ous districts of Wales have gradually voted to go wet on Sundays. At each referendum, held every seven years, the number in favour of wet Sun-days increases. You'd be surprised, says the Devil, how much people can enjoy a wet Sunday.

This is evidently true. On Wednesday, the people of Ceredigion voted again: and at last, the Devil had it. By a short margin (828 votes, to be precise), he has captured Ceredigion.

Considered disinterestedly, the propaganda machine wheeled out by the Devil was poorly tuned to local sensibilities. The picture used to sell a wet Sunday figured a patently Anglo-Savon family — blond Anglo-Saxon family — blond, cosmetically happy — sitting at one of the generically hideous tables that pubs instal in their gardens, and feasting on those generically hideous "bas-ket meals" that pubs serve to children and adults alike. But any proper Welshman knows that the pub is no place for the wife and kids. He knows, too, that he can generally get a drink on a Sunday if he wants to: in the entirely congenial surrounds of his snooker, football or rugby club. And he knows, like the rest of us, that C.T. the chances of sitting in the garden to have lunch on any

problem in Lampeter. imal in any place that takes. But throughout the punches on the chin from a bullying Atlantic.

Ah, says the Devil, this is all very well but, will you not give others the right to choose to be wet or dry on a Sunday? To which most Welshmen would shrug; but others, including my neighbour, would declare that they were fighting for

sobriety. In 1904 there was a great non-Conformist revival, and even the most hardened drunkards became pillars of the Cha-pel. The relics of that generation are still visible, but vanishing and it is partly due to their demise that the Devil has had his way in Ceredigion. But the Devil's victory has a wider significance. On Wednes-day evening, before the polling stations closed, we were enjoined by motorised loudspeakers to vote "yes" for wet Sundays.



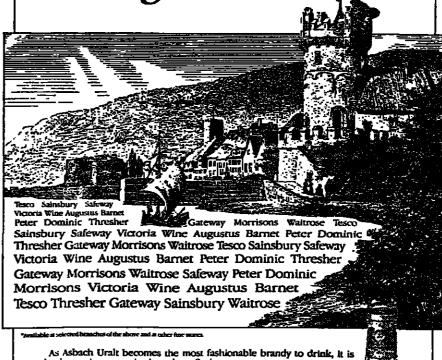
In a Welsh-speaking part of Wales the Devil chose to address us in English. He knew that the culture of

the dissenting religion in Wales, especially Congrega-tionalism, has been since the 17th century one of the stron-gest preservatives of the Welsh language. He knew that the chapel-going Welsh speakers were his opponents: they were the believers in hard seats and soft drinks.

Sort drinks,
So, cunningly, he spoke not
to them in their language: he
talked English, in the cause of
a homogenised England and
Wales. And the English settlers wales. And the English settlers in Ceredigion came out to vote for wet Sundays. The Devil's victory is a victory for secular society: but it is more than that — it robs Wales of Welshates, and Wales cannot afford that loss afford that loss

Nigel Spivey

When you're as popular as Asbach Uralt you need to flow through more outlets.



As Asbach Uralt becomes the most fashionable brandy to drink, it is also becoming an easier brandy to find. In quality wine merchants and supermarkets all around the country

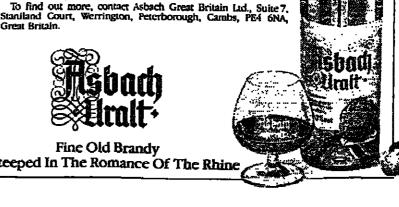
The rich aroma and smooth, full bodied flavour make Asbach versatile enough to be enjoyed in all types of company and on any A fact that has introduced this fine old brandy to a whole

new younger generation of brandy drinkers. From the finest Cognac and Armagnac grapes through to the secret distilling skills of the family Asbach, all the way to your local stockist. The romantic taste of the Rhine has arrived.



Great Britain.

Fine Old Brandy Steeped In The Romance Of The Rhine



CROSS THE beery haze of time I hear again that jaunty A Double Diamond Works

So Drink One Today. Any temptation towards nos-talgia is dispelled by the drink itself. The truth is that its nastiness repelled analysis, and was hardly of this world.

Beer has come a long way since those desperate days. Keg bitter, the filtered, carbonated, pasteurised fizz of which Double Diamond was such a conspicuously horrible example, has been relegated to the drinking shadows. Real, caskconditioned beer has survived the efforts of the brewing conglomerates to assessinate it. But the rising sales of lager illustrates that the ability of the brewers to foist on the drinking public the anaemic, the mediocre and the plain unpleasant is by no means dead. About half the beer drunk in this country is draught lager. Most of it, under fanciful Continental, Australian and American names, is made here and bears no more resemblance to true lager than does a skinless chipolata to an authentic bratwurst.

Brewers like lager because it is cheap and easy to make, because it can be stored without difficulty, because they can charge significantly more for it than bitter, and because people can be persuaded to drink a great deal more of it than can possibly be good for them. The more lavish and ingenious the marketing campaign, the feebler and the more anonymous

This advertising frenzy has concealed the fact that true lager is a splendid drink. Its more fervent apostles maintair that one must journey to Bav-aria to appreciate it at its best, just as the Wagnerite must pil-grimage to Bayreuth. But a visit to Paul O'Connor's off licence in Notting Hill Gate proved a decent alternative. It is called Grog Blossom and is one of three run by O'Connor in London. He stocks up to 250 beers from the three score or so countries of the world which have been penetrated by

the Pilseper culture. Let us start with one of the lesser known exports from China I gave China Beer high marks for the unpretentious ness of its name, and for its price, 49p for a 35cl bottle (a special offer). The taste was undistinctive, but acceptable, perhaps marginally preferable to its Communist rival from Kiev, Zhiguli. Neither, I may say, could begin to compare



# Three cheers for beer

with the subtleties of two famous Czechoslovak lagers, Budweiser Budvar and Pilsner

I also enjoyed Port Royal from Honduras — as much for the elegance of its bottle as for the pleasant beer — Sol from Mexico, Keo from Cyprus, and Steinlager from New Zealand. I did not much relish the three dark beers with which O'Condark beers with which O'Con-nor tried to tempt me - the Gales Prize Old Ale from

fact my staple, for economic reasons, is Dutch Grolsch, obtained from a provincial Italian delicatessen at 75p a bot-tle). But in a pub it is a different matter. There, one is obliged to be old-fashioned and the first choice must be cask conditioned bitter. That such a choice is so widely available is due in no small measure to the Campaign For Real Ale. It is a little surprising, so-long after the battle for real ale

The standard bearers of the real ale culture have every reason to feel proud, thinks Tom Fort

Hampshire, the German Eku 28, or the Belgian Chimay. These were expensive and com-Best of all were two oddities, outside the bottled beer main-

stream. One was Cooper and Sons Sparkling Ale, a heavily sedimented concoction from south Australia. This is commonly served all shook up in its country of origin, although O'Connor convinced me that it should be served clear, with the dregs left behind. The other delight was the Liefmans Frambozenbier, the raspberry-flavoured beer of Belgium. It sounds horrible, looks sinister, and tastes delicious.

At home, I would be happy to drink most of these beers (in Youngs Brewery, the saintly

was won, to find Camra alive and still flourishing. But the consumer group veterans gathconsumer group veterans gathered in the upstairs har of the City Pride, in Farringdon Lane, London, for the launch of the 1990 Good Beer Guide. Sweating before a glowing fire supplied by the sponsors, British Coal, they tipped Fullers London Pride down their throats, extelled the new multitude of extolled the new multitude of micro breweries and pro-claimed the life enhancing properties of living beer.
Whatever one's feelings about the more overbearing pects of the real ale culture, its standard bearers have every reason to be proud. So do brewJohn Young, who fought the keg barbarism of the 1960s -and survived to enjoy the fruits of his virtue.

But there a problem with beer. It is, however much

Camra may wish it otherwise, a limited subject. Vigorous efforts are being made to endow it with a terminology appropriate to serious discussion. The Guide is peppered with references to "lingering harms" and the serious discussion. hoppy finish . . . maity fla-your and burned taste . . . dark chocolate and malt." But I rather doubt whether beer can sustain all this analytic apparatus. It is difficult, for instance, to imagine a beer equivalent to Jancis Robinson's article on the joys of wine-drinking (Weekend FT, October 14). She was, I am sure, right to uphold wine's superiority, but there are occa-sions on which beer is better. They are, broadly speaking, occasions in pubs. And I know the beer for them, for I learned to love it when I discovered the

ioy of pubs.

I will say of Brakspear's Ordinary Bitter, brewed in Henley-on-Thames, that it can be drunk before funerals and after weddings, before the fire in winter and under the blazing sun of support to allowistic. ing sun of summer, to alleviate gloom and to complement joy. If you don't like it, there is something wrong with you, and you should give up beer and stick, instead, to Lutomer Riesling or lime-flavoured Per-rier water.

# The wine weekend where hedonism reigns supreme

Jancis Robinson in New York shares a memorable Experience with 1,000 devotees who pay £400 each for two days of vinous fun

WAS IN New York the other weekend for the most extraordinary experience - in fact, it was called the New York Wine Experience and might well impact (as they say there) on Europe. One thousand enthusiasts paid \$650 (more than £400) for a full-frontal assault on the taste buds and liver.

For this, they got nowhere to lay their head but a full set of tickets to the weekend's events, including two hunches and the Sunday night awardgiving banquet featuring black ties and Ray Charles. But the highlight for these wine maniacs must have been on the Sunday afternoon when 1,000 people sat down to taste 10 vin-tages of first growth Château Margaux going back to 1953! (For just about the first time in 14 years of wine writing, I feel

For those who failed to secure a ticket to the entire weekend of vinous fun - sold out in only a month earlier this year, apparently - there were still another 3,000 tickets to be had at \$150 (about £95) each to one of the grand tast ings held in duplicate on the Friday and Saturday evenings.
Two giant ballrooms in the
Marriott Marquis hotel were
converted each evening into what must constitute the ultimate wine smorgasbord. More than 170 fine wine producers, from Acacia of California to Zind-Humbrecht of Alsace, had a stand and apparently unlim-ited quantities (180 bottles were suggested by the organis-ers) of one of their best wines. These included 1983s from both Châteaux Mouton and Lafite Rothschild, Leflaive's Bätard-Montrachet 1986 and Krug Grande Cuvee, none of them retailing at much less than \$60 (£38) a bottle.

More than 25,000 bottles, we

were told, would be opened over the weekend and poured into 40,000 glasses (known as stemware in New York). About half of the participants had been to previous Wine Experi-ences. A good 40 per cent of them came neither from New York nor California, and about 40 per cent of those busy Experiencing were wome When asked to show hands, only three of the 1,000 admitted to having drunk White Zinfandel (the bizarrely-named naive 12 months, but the fists shot up to answer the question:
"Whose cellar contains more than 100 cases of wine?" The key to this unabashedly hedonistic event, suggested food and wine writer Anthony lood and wine writer Anthony
Dias Blue (whose speech was
timed for 9.15 on the first
morning-after, and was
attended by an impressive
majority of the privileged
1,000), lay in the purgative effect of these morning lec-tures. "We only have these seminars to assuage the puri-tan in us," he claimed, seeming to suggest that, in the present

climate of US wariness about anything alcoholic, only some measure of the influence of the brain cells ence of The Wine Spectator, could persuade Americans to part with all those dollars.

To me, the key lies, as so often in New York, in the event's charitable (and, there-fore, tax-relievable) status. I heard a couple of unashamed gournands from Minneapolis assure a young New York banker (who told me, with some pride, that he'd started to buy and store wine in London) that the event was "100 per cent deductible," which must make quite a difference to how extravagant a treat it seems.
A serious young Massachusetts anaesthetist explained to

me that this was something to which she treated herself every year. When I asked her whether it wasn't just a bit expensive, she smiled and said, gently: "I guess you're asking the wrong person." I guess so. These amual Wine Experiences, which alternate between the coasts of the US, earn their the coasts of the Us, earn their charitable status by funding student scholarships in wine-making, grape-growing and what, in America, is called the hospitality industry. So far, nine events have yielded more than \$500,000 worth of sponsor-ship, which is, of course, a jolly good thing.

An even better thing for the organiser, Marvin Shanken, publisher of *The Wine Spectator* — America's influential fortnightly wine magazine with an audited international circulation approaching 100,000 is that every bottle of wine

and the calibre of the wine enthusiasts it attracts (for the event is advertised only through the Spectator), is that these producers, some from as far afield as Australia, are only too delighted to be chosen to take part. They pay their own fares and accommodation plus \$500 for their tasting booths. They even lay out the cost of their own tickets to the Experi-ence, on top of the donated wine.

s one of the Medoc's more publicity-conscious proprietors, Mme (May-Eliane) de Lencquesaing of Chateau Pichon-Islande, put it to me: "I think it's my duty to come and thank someone who does all this work to organise such an event." She added, with a seigneurial nod to the New World wine makers showing their wine-makers showing their wares: "I also think it my duty to meet others who are trying to make quality. I don't think we have to keep all our knowledge to ourselves."

But the real question was why Corinne Mentzelopoulos of Chateau Margaux thought it worth her while to donate about \$100,000 worth of her already ultra-fashionable first growth claret (60 bottles of each wine - the glorious 1961 in magnum, if you please, as well as the fabled 1953). I asked her this as she was recovering from the long-dreaded experi-

ence of taking 1,000 wine devotees from vintage to vintage, made none the easier by having to keep sweet the rival Bordeaux proprietors on the front row while complimenting her own wines and the American audience. This is where I can meet

the people who actually buy
my wines," she said. "During
the grand tastings people kept
coming up to me, saying they
had 'x' cases of this vintage of
Margaux and 'y' cases of that.
And as for the sit-down tasting
— well, Ab Simon [head of Seagram's fine wine subsidiary, Châteaux and Estates, once proclaimed New York's 'tsar of wine"] asked me to do it way wine" asked me to do it way back two years ago, and I guess I never thought it would actually happen" (although in 1983 Baron Eric de Rothschild, then a relatively new boy to the first growth Paullac, conducted a tasting that went back to 1949).

All this is not bad going for

All this is not bad going for someone like Shanken who someone the shantes when started out with a newsletter that told all about such subjects as the segmentation of the vodka market. His IMPACT newsletter spawned seminars of its own and, at a lower alcohol level, he has not only his Wine Experiences but also his magazine, his mail order sales magazine, his main order sales of objets as indispensable as grape motif coasters and cellar humidity gauges, his wine travel guides, and now books published by the Spectator.

Thanks to all this, he gets a travel locate at Books and sales are table seat at Books are ta

top-table seat at Bordeaux ban-quets, even if he does spend most of the meal prowling and net-working. Some of those who know just how flummoxed he'd be by a blind tasting resent this.

By the courteous standards of the wine world, he is nakedly opportunistic. For instance, his opening gambit to the managing director of Mitchell Beazley, the British publisher which has cornered the-wine-book market and enjoys a turnover in excess of his own, was to ask if the business was for sale. But while Shanken might be the archetypal parvenu in a particularly ancient world, it had to be an outsider who would manage to keep his or her nose outside a glass long enough to see the business opportunities pro-vided by the world's tight-knit but julcy cluster of wine fanat-

Recently, Shanken signed a long-term deal with Marriott, hotels in New York and San Francisco, and his official comment on expansion is a stud-ied: It would not be unrealistic to project a European-based Wine Experience sponsored by The Wine Spectator in the next three to five years." Watch out, Marriott hotel managers in London and Paris.

\*The Wine Spectator Scholar-ship Foundation, 387 Park Ave-me South, New York, NY 10016.

Château Mengaux's Corinne Mentzelopoulos presides over her \$100,000 New York tasting: 600 bottles of first growth claret ■ High Street Wine: P.XIX

## Cookery A taste of all things Italian

F THE number of new books published on Italian cooking is anything to go by, this must be the year of the Italophile cook. For me, three of these books stand out from the crowd. In descending order of price they are as follows:

The Renaissance of Italian Cooking, by Lorenza de Medici (Pavilion, 220), which celebrates is cucina alto-borghese with a gastronomic and photographic tour of aristocratic tables in 12 regions.

Next comes The Food of Italy, by Claudia Roden (Chatto & Windus, £16.95). Based on her award-winning series for the Sunday Times this is a glorious feast of a book, a splendid history, geography and cooking lesson raphy and cooking lesson rolled into one, to which I shall return in this column on another occasion.

The third is an agreeably personal collection of thoughts and recipes by Anna Del Conte, hitherto best known for her admirable reference book, The Gastronomy of Italy, and for her work as editor and adaptor of Marcella Hazan's cook books for the British market, Anna Del Conte's latest offering, Secrets From an Italian Kitchen (Bantam, £14.95), is full of special pleasures and happy sur-prises. My only qualm lies with the title, which is a little coy.

The pages are peppered with engaging reminiscences — such as the story of the girl who her brother dismissed as "very pretty, but her mother drinks amaretto" — and refreshing comments. On the subject of pasta the author remarks quietly but firmly that good brands of dried pasta are better than most of the fresh pasta on sale in the UK and

she adds a gentle reminder that bigoli (a fat, spagnetti-like pasta) is the only pasta tradi-tionally made with wholewheat

flour.

I like the little dips into history and the nuggets of practical advice, such as how to make risotto without standing over the pan for the full 20 minutes or more it takes to cook, and I was pleased to learn the trick of threading learn the trick of threading garlic cloves on to a toothpick so they will aromatise food but can be removed from the pot swiftly and easily just before

As for the recipes, there are many I look forward to trying. These include biancomangiare (a chicken and almond soup garnished with pomegranate seeds); rabbit with porcini and polenta; plums in wine syrup with rosemary; little bundles of monkfish with grilled red pep-per; veal escalopes with peaches; quail roasted with balsamic vinegar; and what sounds like the ultimate dish of lasagne, a timballo di pesce, in which lasagne is creamily layered with three kinds of fish in a delicate bechamel, unmoulded for serving and finished with a rich prawn sauce. Here are two other recipes from the book, together with Anna Del Conte's own introductions to them:

Grilled radicchio with parmesan

(sarves 6)
This simple little recipe - a
perfect antipasto - achieves a most successful combination of an old dish with a modern top-ping. The radicchio should really be radicchio di Treviso, but you can happily use the radicchio di Chioggia found in the IIK the UK.

For six people you will need: 2 lb radicchio, 2½ fl oz extra

virgin olive oil and 4 oz best Parmigiano Reggiano. Cut the radicchio heads into quarters and place them in a grill pan. Pour over some olive oil and season with salt and a lot of pepper. Cook on charcoal or under a preheated grill for ten minutes and then transfer to a dish and cover with Parmesan flakes. Dribble a little more ofive oil over the top. The cheese should just melt in con-tact with the hot radicchio.



the Parmesan on top is an excellent accompaniment to Sea bream in cartoccio

(serves 4) Because they have delicate fleah, sea bream are particu-larly suited to being prepared in cartoccio — wrapped in paper — with a simple herb-flavoured salsina, a little sauce. Choose any fresh herbs but be sure to include either fennel or fennel top.

I prefer the traditional way of wrapping the fish: in grease-proof paper or parchment paper rather than foil I have found that the fish cooks better in paper than in foil and it certainly looks better when brought to table. Four lovely sea bream,

weighing about 8 oz each; two

tablespoons mixed herbs (such as paraley, one small sprig of rosemary, two sage leaves, two sprigs of thyme, two sprigs of marjoram, a few hasil leaves and a full sprig of fermel or fermel top); half a clove of garlic, peeled; the juice of half a small lemon; 3 tablespoons extra virgin olive oil.

Ask the fishmonger to acale the fish thoroughly, to gut them (also removing the gills) and clean them, leaving the heads and tails on. Before cooking the bream, wash them well and let them drain on a sloping board while you prepare the sauce.

Chop all the herbs and the garlic. You can use a food processor but do not reduce to a much. Transfer to a here add

cessor but do not reduce to a mush. Transfer to a bowl, add salt and pepper and the lemon juice, then gradually add the oil, while beating with a fork

Cut four squares of grease-proof paper (or foil) large enough to wrap around the fish and to fold together at the top and sides. Brush with a little oil. Lay a fish on each square and spoon a little of the sauce inside the fish and around it. Wrap the fish up by twisting the edge of the paper or foil all round.

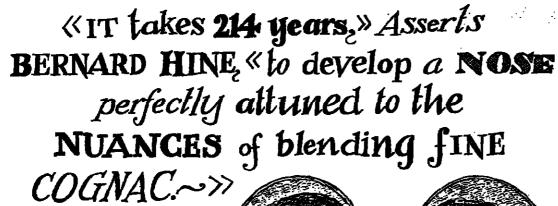
Dut the perpuls in a baking

Put the parcels in a baking tin and cook for 15 minutes in an oven heated to 200C (400F), gas mark 6. This timing will be just enough to cook the fish through without drying it, so that it will be moist and succu-

lent from its own juices. lent from its own juices.

Place the parcels on individual plates and open them by
cutting off the twisted edges.
Leave the fish in their paper
"dishes" to retain all the cooking juices and serve with
plenty of crusty white bread.

Philippa Davenport



What bliss to spend one's days beneath the warm Jarnac sun, to watch the dragonflies hovering among the riverside flora, to swap anecdotes with the friendly local inhabitants and





above all, to sample the golden nectar that is Hine cognac.

Truly there can be few occupations to compare with that of the Hine cognac blender.

Where does one apply, one might enquire?.

Alas, it is an occupation only Bernard and Jacques Hine can have, for only they possess the Hine "nose". A "nose" handed down through six generations and so perfectly attuned to the art of blending fine cognac.



But herein lies one regrettable drawback. For no matter how adept at their task, no matter how diligently they apply themselves, two men can only blend so much cognac. And for this reason Hine will always be rare.

Unless, of course, Bernard and Jacques should chance upon a suitably qualified third blender to assist them.

And such an event seems unlikely, for where does one find a man with 214

years experience these days?



# CALIFORNIA WINES



# Not everyone came to California to dig for gold.

The Gold Rusk of 1849 saw many pioneers resist the chance to strike it rich.

They were struck by the desire to make some wine.

Now a vineyard is no goldmine. Vines take years of energy sapping toil to produce quality grapes in quantity.

So had the long, hard trail from Europe robbed them of their reason?

Quite the reverse. Many pioneers were already

consummate winemakers who quickly learnt that, unlike Europe, California guarantees ripe grapes every harvest.

Courtesy of the consistent, long hours of summer sunshine.

The climate held further attractions, too: the cooling effects of California coastal fog penetrates the north south running valleys.

Together with the varying altitude and sun

Posing an intriguing question to our winemakers: which growing area provides the optimum conditions for which grape?

As early as 1889, they began coming up with the right answers.

In an international judging in Paris, California wines won their first top medals.

Rather fitting, wasn't it? That the winemakers who didn't come looking for gold should end up winning it.



## YACHTING

# You simply can't get lost anymore

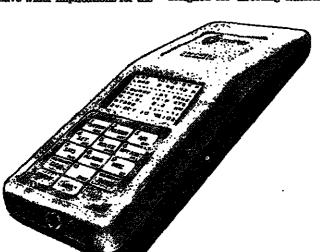
Roy Hodson on the revolution taking place in world navigation

HETHER YOU are crossing an ocean in a yacht, riding a camel across a desert, back-packing in the Rockies, driving through Australia's Nullarbor plain, hack-ing through Brazilian rain forest, or hill-walking in the Himalayas, you can now know exactly where you are (and by next year you will be able to know your height above sea level as well), from a little receiver no bigger than a tran-

A revolution in world navi-gation has started which will have wider implications for the

Now we carry accurate time about with us on our wrist watches as carelessly as if it had always been freely available. The same will be true of personal position finders. Soon it will be a thought to marvel at that the human race ever

managed without them. Both the Americans and the Russians are putting new satel-lites into orbit at a rate of more than one a month to com-plete two independent world navigation systems called respectively GPS (Global Posi-tioning System) and GLON-ASS. They are primarily designed for directing nuclear



human race than have yet been appreciated. Quite simply it is going to be impossible to get lost. Future generations will be given their personal position-finders – they will be as cheap as pocket radios are now – and will use them all their lives with hardly a thought about the wonder of it

Only three centuries ago kings and navigators were still working, praying, fighting and stealing for a means of telling the time accurately and so being able to find their longi-tude to send ships around the

missiles to targets with an accuracy of centimetres. But in this case the sword has turned into a wonderful ploughshare. For the real and sustained use of the two systems will be tomake accurate position-fixing available simply and cheaply

to everyone on earth.

In the spirit of glasnost the Russians are thought likely to make their GLONASS system available for civil use. They have not made a public statement was the ground they could ment yet. However, they could steal a march on the Americans by offering it to the world free of charge. The Americans are still considering making a

charge for GPS - at any rate to such big commercial users as air and shipping lines.

At this early stage in the game, however, the Americans are proving more generous with access to GPS than most observers thought possible. The signals are available free of charge for decoding by commercially-made receivers.

Across Britain and Europe it is now possible to get accurate position fixes for roughly 12 out of every 24 hours from the 11 satellites already in place at fixed points above the earth.

By the end of next year the

Americans expect to have a lattice of 24 satellites and some snares in place above the globe sufficient to provide posi-tion-fixing anywhere in the world at any time of the day or

world at any time of the day or night.

Furthermore, the Americans are not, so far, fighting shy of making the great accuracy inherent in the system freely available. The pioneer position-fixing receivers for the general public, now starting to appear for sale, are able to give positions from the American GPS system accurate to between 10 metres and 30 between 10 metres and 30 metres wherever they are used.

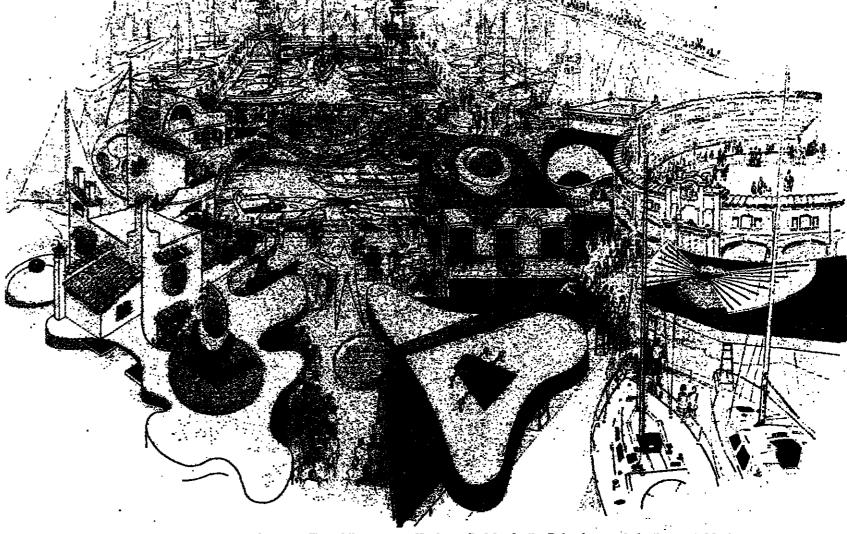
Retail prices for the first ones on the market have already dropped below the £2,000 barrier. Even greater accuracy is available from receivers costing £3,000 and upwards and designed for pro-fessional use by surveyors and the armed forces.

Nearly all the hard work

involved in fixing a position by GLONASS or GPS is done in the satellites themselves, or the ground control computers that are linked to the system. achieve

"three-dimensional" fix of lati-tude, longitude, and height above sea level, a hand-heid receiver simply needs to pick up signals from at least four satellites available above the horizon. The more receiver channels it uses the greater will be the accuracy.

At least 15 electronics com-panies outside the Soviet bloc are developing small receivers. Some are in production



THE 38th London Boat Show at Earl's Court next January will be different, a this artist's impression shows. There will be more than a touch of fantasy and surrealism about it reflecting the work of the Spanish artist Joan Miro.

it will be biggest show ever held and will include 50 boats in Chelses Harbour that can be visited affoat

already. The smallest, lightest, and cheapest set available so far is a US product, the Magel-lan GPS Nav 1000. Distributed in Britain by Ampro it weighs only 28 ounces and costs £1,950. It is a simple one-channel receiver, designed to be hand-held. It gives a "fix" from the GPS system every 15 seconds on a screen, together with the time and the date.

In my view the most impression to belonied.

sive technical progress in per-sonal position-finding sets so far has been shown by a new British firm based in Chiches-ter, Sussex. This firm's set called the GyPSy, was unveiled at the British Marine Indus-tries trade show, at Kempton Park. Rival manufacturers were soon forming a queue to

The GyPSy, which will be on

at £2,200, is also a hand-held receiver that the sailor, walker, or climber can carry in a pouch about the size of a 35mm camera case. It looks no more complicated than a cordless telephone but it contains an Inmos transputer (256k man-ory) with the power of a desk top computer, and is equiva-lent to a five-channel receiver which updates the user's posi-tion from space satellites several times every second. You will be able to switch it on and

off 400 times to check your position before the batteries need recharging. need recharging.

Simon Hartwell, aged 46, formed a company called Columbus Positioning with other colleagues in the marine electronics industry just a year ago to exploit the looming opportunity offered by GPS navigation. The team designed the set from

The team designed the set from

scratch and is now assembling it and marketing it in Chiches-ter, West Sussex, from components provided by sub-contrac-tors. The technical virtuosity of their product is much admired and is setting a hot pace for the other manufactur-ers of GPS receivers.

GPS and GLONASS will be the standard world naviga-tional systems of the future. backed by terrestrial-based systems. Governments generally take the view that it would be unwise for world navigation to rely solely on two Russian and American systems which could be switched off in a time of international crisis.

Of the terrestrial-based systems the venerable Loran

systems the venerable Loran (installed during the Second World War) looks like being the international winner in its modern form. Cheap Loran

■ Fast powerboats driven by sets at under £300 will become inexperienced owners are a growing hazard in almost all crowded sailing waters.
There is an obvious incompatibility between a windsurfer making five knots and a properheat making 188 available and the system will be extended to cover many more parts of the world where aircraft and shipping move-ments are heaviest. Britain and ments are neaviest: Striain and Europe south of the Wash (where there is a gap in the Loran coverage) are expected to be served by new transmitter installations in England and Ireland. After consultations with interested portions and a powerboat making 28 knots.
Such mismatches make strict interpretation of the international rules for the

tions with interested parties prevention of collision at sea difficult, and sometimes impossible.
The Royal Yachting
Association has decided to do something about it and will the British government is thought to have accepted that Loran, not the equally venera-ble Decca system, should be chosen to complement GPS and GLONASS But seefarers in the southern

launch a new National Powerboat Training Scheme at the Boat Show at Earls North Sea and the Channel, who rely on Decca sets, have no cause for alarm. The Decca Court, London, next January It will emphasise the availability of tuition to system is expected to continue in operation in those waters people who are thinking about buying power boats. until late into the next decade.



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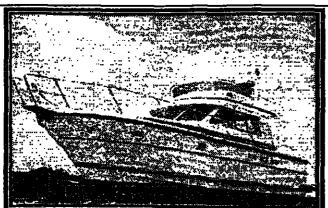
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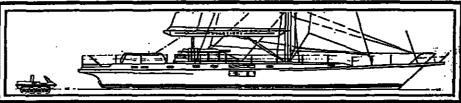


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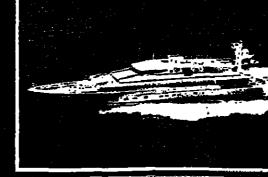
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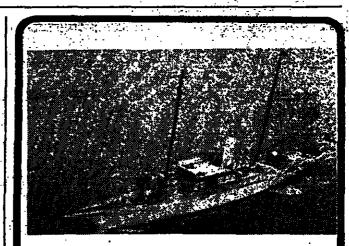
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## HOW TO SPEND IT

Lucia van der Post gets spots (and stripes) before her eyes as she prowls through the fashion jungle

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those who aren't given to intro-spection have somehow been shamed by the anti-fur cam-paigners, by their conscience or by simple social pressure into feeling that wearing fur

mate - in Britain at least (if not Geneva, Zurich or Megève) they have made real fur unchic. So successful has Lynx been that whereas a few years ago most of London's top department stores had fur epartments, today only Harrods (with its Grosvenor Furs concession) and Selfridges (with its Edelson für concession) still sell real furs. Both propose to go on selling them for as long as their customers want them but both are adamant that they are rigorous in making sure they only sell skins from unendangered species and that 90 per cent are from animals that have been

from animals that have been humanely farmed.

This is not the place to go into the deeper ethics of the subject, which strike me as infinitely more complex than Lynx would have us believe. Suffice it to say that this year all stores are awash with great, big, beautiful, luscious fake

much lower than their once-liv-ing counterparts. They have all the glamour of the real thing with none of the angst — or, at least, I thought they had none of the angst until I looked into the matter further. Fake furs by and large are

made from synthetics which, according to the Ecology Section of the International Fur Trade Federation, are "chemical products, the manufacture and disposal of which cause pollution, deplete non-renewpolition, depicte non-renewable resources and disrupt natural life-supporting ecosystems." Ah, me, the world has got complicated.

Blissfully unaware that they might be contributing to the pollution of the universe, designers from Jasner Course.

designers from Jasper Conran to St. Laurent and Giorgio Armani filled the autumn fash-ion shows with spots and stripes of every shape and hue. Regular safari-goers might have trouble identifying the species but the lacting improve species but the lasting impres-sion was of a stampeding herd sion was of a stampeding herd belting down the catwalks — gauzy leopard-spotted chiffons, zebra-striped sarong skirts, big, bold belts in ocelet, soft spot-ted pumps, skinny lycra shifts, hooded bomber jackets — there was scarcely a garment that couldn't and didn't come cov-ered in spots.

couldn't and didn't come covered in spots.

The designers had got it right. The whole point of fake furs, in my view, is that they should be fun. Nothing too realistic, nothing too serious. Nobody should buy the sort of fake fur that looks like a downgar's mink. Start perhaps ger's mink. Start, perhaps, with a gauzy chiffon scarf, tie it round your neck or to the corner of your handbag. Go for a pair of Jimmy Choo leopard pumps, or for some (but NOT all) of Edina Ronay's larky

accessories. Move on, perhaps to a pair of Rifat Ozbeck trou-sers, or St. Laurent, if you have the purse to cope. Take in a tiger-print skirt from Work-ers for Freedom or a gorgeous hooded leopard-print coat from Armani, or one of Ninivah Khomo's ethereal leopardprinted shirts. Whatever you need this autumn, you could, if you have a mind to, buy it in fake fur.

A word of warning - too many fakes can easily look tacky. One wonderful all-enveloping coat, a few classic accessories, or a gauzy zebra-printed scarf slung around the neck is all you need. Don't wear anything too tight (and most par-ticularly don't wear it too tight if you're overweight) and be

overweight) and be very careful with your jewellery – make it as real and classic as you can afford.

Finally, if you really can't bear the idea of fake, if you would love the warmth and comfort of fur but want to keep your conscience clear, do what many of the fashionable set have been doing for years. have been doing for years -trot off to one of Kenzo's shops, where every year he does a couple of versions of a classic butter soft sheepskin. This butter soft sheepskin. This year there are two styles, fitted or loose, plink, green, black, or grey, £1,050 each. Kenzo shops are at 27. Brook Street, London, WI; 288, Brompton Road, London, SWI; and 17 Sloane Street, London, SWI.

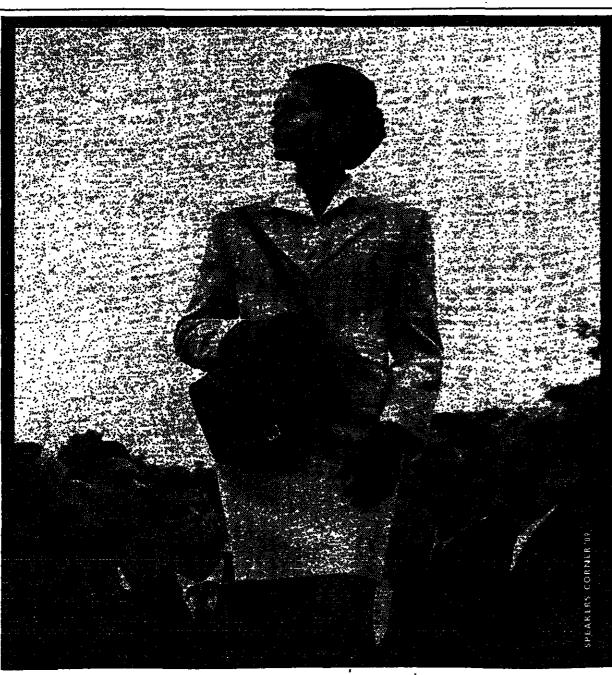
Sketched here are some of the best fake buys around this



Above, wonderfully soit, straw and dark-brown leopard-print hooded coat (above) from Emporio Armani; it sports a bright pink lining with Armani logo. £525 from Emporio Armani, 191 Brompton Road, Loaden SW3 Stres 8 to 14 London SW3. Sizes 8 to 14,

Edina Ronay has a marvel-lous collection of take ocelet accessories, and also has some slickly-cut black suits with fur-trimmed jackets. Sketched left is a hat, full of Russian glamour: \$88. The polo-necked "body" in soft wool/polyester/angera would look wonderful teamed with slim-fitting trousers or skirt. £199, sizes 8 to 14. Beit, £88; gauntiet gloves of cotton jer-sey trimmed with ocelet fur ric, £95; capacious muff, £115. All from Edina Ronay, 141, Kings Road, London, SW3. Mail order is available for £2.50 extra per item.





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# a cultured classic

£25.000.

women who do not have a string of pearls somewhere the classic in any wardrobe
- as much of a standby as jeans, brogues, a navy blazer, the little black dress or a

cashmere sweater. You can team them with denim or tweed, with velvet or taffeta. You can wear them in single strands or knotted in profusion. The Princess of Wales has her simple strings Barbara Bush her three-strand choker (Ken Lane's version at £97.50 will be on sale in his shops at the end of the month) and the girl in the street her little single strand.

You can spend as little as £10 buying from a mail-order catalogue or as much as a £1m on a rare string of real pearls (yes, really), and from Monday you will be able to visit the Mikimoto counters in the new jewellery room at Harrods and for the first time see rows and rows of fine, cultured pearls which you can select and buy by the inch. That way you will be able to design your own string, choosing exactly the colour, size, length of strand and clasp that suits you. At the moment most strings

ere sold already made up and although good jewellers, if you are buying excellent pearls, will indeed alter strings and clasps to suit, this is really

an extra service.

Mikimoto is one of the most famous of the Japanese pearl companies. Its founder, Kokichi Mikimoto, started back in 1888 looking for reliable ways of producing cultured pearls, but didn't actually discover it until 1908, when he patented his own methods

methods.
Though all good pearls are, of course, good pearls, the problem for the inexperienced buyer is how to be sure. Most good cultured pearls these days come from Japan, though baroque pearls and the only naturally black pearls (from the black-lipped oyster) come from the South Seas.
The Japanese Government

The Japanese Government tries to prevent any sub-standard pearls (those that haven't been in the oyster long enough and so don't have a thick enough nacre) leaving the country, but does not always succeed. What the purveyors of fine pearls call the "cowboys" — some High

street shops and mail order catalogues - sell off these thin-skinned pearls at prices which will seem less beguiling when the pearls begin to flake. If you're buying pearls you

can't expect anything of any quality for less than £150. If they are exceptionally cheap they are either thin-skinned, or glass beads with a plastic. or gass ceats with a passit finish. If you are unsure the only certain — if expensive — way to buy is to go to people whose world-wide reputations

depend upon their honesty. Experts tell the quality of pearls in many ways, but for the rest of us here are a few pointers. Lustre and nacre thickness are perhaps the most important - lustre is the surface glow as well as the deep reflective light that gives the pearl its real beauty. Nacre is the name given to the material surrounding the nucleus. The longer the nucleus is left in the shell, the thicker the nacre and the

better the pearl. Next comes colour, which is largely a personal matter. Some prefer their pearls as near pure white as possible, others like a creamy or a pinkish tinge. But whatever colour you choose it should be rich and even throughout

the pearl. Shape is important, too; the rounder the pearl, the more sought-after it is. But pear, oval, button and baroque pearls all have their fans. Tiny surface marks are part of a pearl's natural texture confirmation of the fact that it is a product of nature and not a machine. Don't worry about them unless they are large, noticeable blemishes.

If you have pearls you can test their quality by heating the head of pin and touching the pearl with it - if it makes a scratch or mark it is plastic. On a good pearl, cultured or real, it will leave no mark.

A cultured pearl is made in the same way as a real pearl – the only difference is that the nucleus, the irritant, has been introduced artificially. Often the only real way to be sure if a pearl is real or cultured is by X-raying the nucleus, which will be much smaller in the real pearl.

Real pearls are increasingly hard to find - the only current source is the Gulf, which has its share of problems. For example, Cartier at the

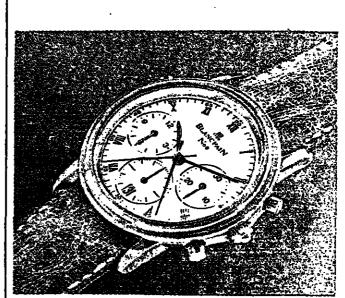
moment has just one 93-pearl string, which is 17% inches long with a marquise-shaped clasp, dating from the 1920s and selling for £8,540. Garrards and Mappin & Webb between them have about 30 strings in stock, all old and varying in price between £1,500 and

How to take care of them The basic rules are quite simple - perfume, perspiration, hair and deodorant sprays, and certain drugs (in the old days when syphilis ran a merry dance through the ranks of the aristocracy a mercury-based drug played havoc with whole strings of priceless pearls) are the main enemies.

but if they are any good at all you shouldn't wash them yourself at home, though you can wipe them gently with a soft dry cloth. Take them to a reputable jeweller who will wash off grease and perspiration and re-string them on silk

Don't have them strung on nylon, which is rough and will work the holes larger. The price depends upon whether the pearls are real or cultured, the stringing knotted or plain, but at Mappin & Webb and Garrard shops they would charge from £12 for doing a basic, plain cultured string.

L.v.d.P



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Royal Opera House

Saleroom

# The Impressionist bandwagon rolls on

Follow the obituary columns to predict the auctions, advises Homan Potterton in New York

F ONE wants to know what is likely to be coming up for sale at Sothe-by's or Christie's it is a good idea to follow the obitugood idea to follow the contil-ary columns of *The New York Times*. Campbell's Soups' beir, Jack Dorrance, died unexpect-edly in April of this year. Four weeks later Sotheby's announced that they would be selling his collection. It went for \$131m in New York the other week. The other day an other week. The other day an obituary had an arresting headline: "Lydia W. Malbin, 91, a Collector of European Art." The notice said that "Mrs Malbin's collection, which is known for its concentration on the work of the Italian Futur-ists has been widely exhibited and much sought after by major museums." No mention of either Sotheby's or Christie's, but watch this space! Last July the obituary appeared of the architectural

historian, Edgar Kaufmann, whose father commissioned Frank Lloyd Wright to design Fallingwater, the architect's best known house. Kaufmann, who gave the house to a trust in 1963, was an adjunct profes-sor of Architecture at Columbia University and had at one time been on the staff of the Museum of Modern Art. The Times did not mention that he was also a collector but that obviously did not deter Soth-eby's who will sell 19 works from his collector, including paintings by Monet (\$7m.\$9m), Picasso (\$2m.\$3m), Mondrian (\$6m-\$8m), and Miro (\$4m-\$5m) on the November 15.

The Kaufmann Collection is just a small part of an amazing array of Impressionist and Modern sales that will take place in New York next week. Following its dispersal on Wednesday night Sotheby's have their main sale. Consist-ing of just 74 lots, the auction includes six works by Picasso that may fetch up to \$100m between them. Four paintings by Renoir may bring a total of about \$40m; three by Monet, \$20m; two by Gauguin, \$11m; and single works by Cézanne, Van Gogh, and Manet that are estimated at up to \$8m, \$15m, and \$14m. Even Bonnard is included in this big league estimated at \$4m and \$6m each. There are in fact only about ten works in the sale with estimates of less than

It was at a Sotheby sale this time last year that the market for Picasso started to roll. When his Cubist "La Cage D'o-iseaux" went for \$15.4m it was the first time any of his pic-tures had made it over the magic \$10m mark. That record was smashed a few days later at Christie's when "Maternite" went for \$24.75m. Within weeks, this time at Christie's London, "Acrobate et Jeune Arlequin" fetched \$38.5m; and trait, "Yo Picasso," finally took the trophy when it made \$47.85m at Sotheby's in May.

Next week's star Picasso, "Au Lapin Agile," which shows the artist himself as Harlequin, is enormously attractive. Furthermore it does not have to be paid for until after Christmas: a strange note in the catalogue says so. The vendor of the pic-ture is Lorinda de Roulet who inherited it from her mother, Joan Whitney Payson, in

whose Long Island home it once hung alongside Van Gogh's "Irises." When that picture was sold in 1987 it went for \$53.9m - the record at aucfor any artwork. "Au Lapin" could also break that record; but let us hope that it will not be bought by the Antipodean collector, Mr Alan Bond, who bought "Irises" with Sotheby's money and who is selling a Manet for perhaps as much as \$14m in this sale.

Even with such a giamorous line-up, Sotheby's will cer-tainly not be monopolising the headlines next week as Christie's also have a few tasty morsels on offer. In fact, while Sotheby's have estimated a total of \$254m-\$346m for all their Impressionist sales, Christie's expect \$315m-\$428m. Their sales are on Monday and

Tuesday November 13 and 14. They start with three special collections: 15 pictures from the George Richard Collection, a further 15 owned by Paul Mellon, and then a large sale of almost 100 works from the collection of the film director.

Billy Wilder.
The Mellon pictures are The Mellon pictures are very, very select: Mr Mellon knows how to collect. These are not flashy pictures and many are not all that typical of the masters who painted them. The Picasso gouache, "The Death of Harlequin," is for example not likely to appeal to Mr Bond although, as it has another picture on the back, the buyer will get two pictures for the price of one; its estimate is \$20m. A small Degas portrait of the Duchesse de portrait of the Duchesse de Montejasi - Cicerali (estimate \$1.5m - \$2m) shows the sitter in black seated against a flame-red cushion; and there is a Manet of a Paris street in baking heat. It is almost deserted except for a prominent cripple in the foreground, but it is a glorious picture (estimate \$35m). A Van Gogh ("Tree at Arles") is estimated at \$25m —

\$30m.
The highlight of the Richard Collection is a Monet of the Houses of Parliament at sunset while the top lot of Billy Wilder's sale is a 1921 Picasso "Head of a Woman" (\$5m.\$7m). But the Wilder Collection is chiefly remarkable for the plethors of female nudes it plethora of female nudes it contains. There are about 30 by such artists as Maillol, Kir-chner, Picasso, Schiele, and

The first lot in Christie's main sale is a Delacroix. It is main sale is a Delacroix. It is large, it is dark, it is unattractive, it is estimated at \$5m.\$8m, and as it is dated 1823 it is strange to find it in an impressionist sale. Perhaps it is here because its subject matter – a young couple with their baby – is identical to that of the Picasso "Famille de l'arlequin" which is the highlight of the sale. This is a gouache of 1905 and is estimated at \$15m.\$20m. It is one of seven works by the

Monet is represented with six pictures at estimates of between \$2m and \$10m. Gau-guin has a flowerpiece (\$2m-\$2.5m) and a landscape (\$8m-\$10m). There is one fine Renoir, "La liseuses" (\$8mstom), and then there are six more which are of the type that find particular favour across the Pacific: they two are estimated in millions. The other top lots are by Vuillard (\$2.5 and \$3.5m), Vlaminck (\$3m-\$4m), Braque (\$3.5m-\$4.5m), Dall (\$1.8m-\$2.2m), and

Chagall (\$2.5m-\$3.5m).

All in all, it promises to be quite an exceptional week of options; and as it is the impres-sionists which are still most favoured by the Japanese, we can expect that further records will be established. After all, what is the point of paying \$346m for such an American landmark as Rockefeller Center if one cannot have the occa-sional flutter in the New York



Picasso's "Famille de l'arlequin:" estimated at \$15-20m Counting the cost of catalogues

# 

**BOW STREET ELEVATION** 

# Royal Opera puts its House in order

The new development proposals meet the need for reconciliation, says Paul Cheeseright

HE ROYAL Opera House has been engaged in a exercise of reconciliation. The results are open to view at an exhibition\*
of its plans to turn the home of the
Royal Ballet and the Royal Opera from
an Edwardian slum, outwardly elegant
but inwardly inefficient and dangerous, into an artistic centre fit for the next

The need for reconciliation has been clear at a number of levels. The Royal Opera House has had to weigh its own technical needs against the cost of achieving them when it possesses some land but no cash. It has had to placate land but no cash. It has had to placate theatrical experts restive about earlier plans for modernisation. In the uncomfortable role of property developer, it has needed to garner local support in the face of an antagonistic Covent Garden Community Association. By no means least, its future has in part depended on its ability, notably lacking early this year, to be on friendly terms with the Westminster City Council.

Debate about its new plans is about to start. A public meeting in Covent Garden this weekend; submission of the proposals to the Westminster City

proposals to the Westminster City Jouncil next week.

It is not possible to predict the fate of

the new proposals but a first glance suggests that the Royal Opera House is likely to be much more successful in reconciling all the different interests —

planners, local community, theatrical experts, guardians of the heritage — this time round than it was last.

The Westminster City Council gave outline planning permission in 1987 to a scheme which contained a large office block as a means of paying for the internal improvements. But, earlier this year, a succession of leaked Royal Opera House documents showed not only that the Royal Opera House only that the Royal Opera House thought its own scheme inadequate, but that it had been entertaining proposals other than the one it had been discussing with planners. The City Council was not best pleased.

At that stage the Royal Opera House was talking only of minor changes to the 1987 plan. Those minor changes never saw the light of day. Instead the 1987 plan has been completely recast. The new planning application then is an attempt to clear the air. It takes the

Royal Opera House back to square one. The old office block idea, as a means of financing the internal improvements, has been thrown out by Jeremy Dixon, the architect, and replaced by smaller buildings. The car park the Westmin-ster City Council wanted has been thrown out, giving opportunity for the expansion of technical facilities. A use has been found for part of the listed Floral Hall: it becomes the main foyer space. Other listed buildings on the site are retained in the new plan: under the former proposal they would have Here, then, is the reconciliation at work. More of the space is given over to theatrical use. That ought to soften the opposition of the Covent Garden Community Association, although it will continue to hold the view that none of the land should be used for anything but the arts. The greater space given to the Royal Opera House's technical needs means that the plans move much closer to the demands of the theatrical

At the same time, retention of the listed buildings and use of the Floral Hall should soften the attitude of English Heritage, official protector of listed buildings, which was no happier with the Royal Opera House than the City Council had been. What was the point, it asked itself, of sacrificing listed

experts on matters like the storage of

point, it asked itself, of sacrificing listed buildings for a scheme the Royal Opera House itself did not want?

Where the Westminster City Council planners stand on the new plan in general and the elimination of the car park in particular is not clear. The Royal Opera House has been in contact, but there does not supper to have been a there does not appear to have been a formal meeting since last August. Mr Jeremy Isaacs, the Royal Opera House general director, believes the planners are reconciled to loss of the car park. The opposition Labour Party me

of the planning committee never wanted it anyway.

None of this, though, is to suggest that the Royal Opera House, with its new plans, has simply been responding to criticism from the outside. The stim-ulus for change appears to have come from the change in management - the appointment of both Mr Isaacs and of Mr John Harrison the technical disc.

Floral Street

Once the decision had been taken to reduce the amount of land necessary for the supporting commercial development, then meeting the technical needs of the Royal Opera House inevitably became easier. "We wanted to make the changes anyway but we weren't able to do it because of the constraints put on the project," Mr Dixon said. The other side of this is that the

r John Harrison, the technical direc

lower the commercial content of the modernisation scheme, the larger is the financial gap the Royal Opera House has to bridge. Total cost of the scheme is £175m. Likely return from the commercial property development is £133.5m. Forward, then, Sir Martin Jacomb, chairman both of the Royal Opera House Development Board and of Barclays de Zoete Wedd, the investment bank, with some financial architecture. \* Main Foyer, Royal Opera House, open to the public between 1230 and 1430 until December 6 except Sundays and November 25-29 inclusive.

# When British art is at its best

William Packer recommends exhibitions in London and Liverpool

November 19) was founded in 1886 as a radical artists' association to ginger up British art, and the Academy in particular, by direct example and competition. That old fire may have faded somewhat, but the NEAC has continued ever since to offer its members and contributors the chance to show their work in London. It has always provided a natural home for serious figurative and landscape painting, especially in times when such

work was out of critical favour.

Though it had long ceased to be avant-garde in any strict sense, I remember it from my own student days as a significant feature of the showing as a significant reature of the showing calendar, with disappointment at rejection the keener in the knowledge of its liveliness in comparison with the then so stuffy Academy. It has had its quiet times, but now is enjoying a marked revival, oddly enough under the encouragement of a packet of the encouragement of a number of active members of the present

Academy,
Early in November these past
few years a hanging lunch has been
held where a number of guests,
critics among them, have been asked in to vote upon certain annual prizes. Academicians such as William Bowyer, Diana Armfield, Ken Howard, Edward Bishop and Bernard Dunstan, and

all readily distinguish themselves: but again, as always, younger artists or the comparatively unknown take the chance to declare

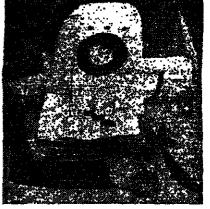
With some 434 works on show, including contributions from the Prince of Wales and ranging in price from the low £190s to several £1000, any choice is inevitably arbitrary, but I did fix particularly on one or two: Jason Bowyer's Steam Museum; Dennis Gilbert's portrait of Mirjana; Sharon Steer's Brazilian Girl; Barry Atherton's large figures in a landscape; Dawn Sidoli's Clifton landscapes; R.Showan's domestic interiors; Karn Holly's still lifes; and the several landscapes of Richard

Leonard Rosoman is another academician showing for once away from home, and his "War Retrospective" (The Imperial War Museum: until November 26 - then on to The Fine Art Society in Edinburgh) shows yet again, if we needed reminding, just how imaginative and creatively productive was the work of the War Artists' Advisory Committee, under the chairmanship of Sir Kenneth under the chairmanship of Sir Kenneth Clark during the War. It was a celebration of a contemporary national

HE NEW English Art Club (the other leading members such as Tom school, broadly and sympathetically of art. But, by the way this remarkable collection is treated, too many of our masters still do not realise how lucky

> Rosoman was in his middle 20s in 1940, and still with his name to make. The commission be get was inspired, for clearly he thrived on the opportunity he was given, young and unknown as he was. He served in the Auxiliary Fire Service during the Blitz, which experience supplies the first group of works. He was nearly killed by the wall that collapsed on his colleagues. He now finds his painting of the incident distressing and sentimental, as though to make mere visual drama out of tragedy, but the truth of it is that he achieved a true icon of war, in all its complexity of excitement, danger and sacrifice. It is a fine painting.

Later in the War he was sent out to Later in the War he was sent out to the Far Rast with the Royal Navy, and worked to remarkable effect on the aircraft carrier, HMS Formidable, with its swarms of fighters, sitting like angry insects with their wings folded on the flight deck. And this small show ends with a group of bleak and empty views of wrecks in Hong Kong harbour, and empty, looted houses in the hills above the city.



Rosoman's 'Corsair Aircraft with folded wings in Hot Sunlight'

On show in the adjoining gallery (also until November 26) is the extraordinary sequence of panels made by Stanley Spencer, whom, in 1949, the War Artists' Committee sent to War Artists' Committee sent to Lithgow's shipyard on the Clyde, to see what was going on. "Shipbuilders on the Clyde" occupied Spencer, on and off for the next six years. They too are a tour-de-force, a major monument to human effort and collective skill.

And while on the subject, I should inst say that a representative and just say that a representative and excellent display of such work commissioned by the WAAC in the Second World War, drawn from the Tate's own collections, is currently on show at the Tate Gallery, Liverpool

(until November 19).

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## **JOHN DAVIES** presents SPACE LIGHT TIME

An Exhibition of Paintings by BRIAN PEACOCK NOVEMBER 20th -DECEMBER 16th 1989 Church Street Gallery, Stow-on-the-Wold, Gloucestershire Telepho Cotswold (0451) 31698

## Antony Thorncroft explains why salerooms are making them glossier T SOTHEBY'S in competition between the

New York on Thursday night the first four tolios of Shakespeare's plays sold for \$2m (£1.3m) to James Cummins, a New York dealer, and a first edition of Don Quizzote made \$1.65m (£1m) They were the highlights of The Garden Ltd. a collection of over 300 books and manuscripts chosen to illustrate the intellectual achievements of man. And the catalogue for the sale, a magnificently bound and lavishly illustrated black handful, sold for \$80 (over £50), making it the most expensive single volume catalogue produced by an auction house.

Saleroom catalogues have been transformed in the last decade. Traditionally Sotheby's and Christie's produced limp, uniform, terse, unillustrated catalogues, which were little help to man or dealer. But the

houses has unleashed a flood of glossy, informative, minutely researched, hard backed catalogues, packed with pictures in colour, which would enhance the grandest

coffee table.
As they make competitive pitches for large collections, both Sotheby's and Christie's place the catalogue at the heart of their proposals. The vendor will be immortalised within hard covers, they mur-mur, his, or her, collection will, through the catalogue, become a permanent memorial to refined taste, a source book for scholars into the 21st century. And if the collection is valuable, likely to make, say, £2m or more at auction, the salerooms will forget that they usually charge for illustra-tions. A blockbuster catalogue will be thrown into the negotiations to secure the deal.

quite the mercenary appeal of some of the other incentives the salerooms dangle before sellers to secure big profitable collections - touring the art around the world, for example, and (occasionally in the case of Sotheby's) guaranteeing a cer-tain sum from the auction; but the glossy yet robust scholarly catalogue appeals to vendors' intellectual pretensions. Chris-tie's success in securing the

Catalogues might not have

Doheny library owed much to the portentous red and gold catalogues it delivered. Although they are often a happy union of art and knowledge - all that erudition, all

those pretty pictures — catalogues have yet to become valuable keepsakes. Catalogues of important historic auctions sometimes turn up in the sale-Both Sotheby's and Chrisroom or in book dealers' lists, but they show remarkably little appreciation. The famed five volume Honeymann collection of scientific books, sold in the 1970s, has recently been on the market for £140; the five volumes from Mentmore nudge around the £100 mark as against the £30 price when they came out in 1977. Von Hirsch, another famous sale of the period, with four hardback catalogues costing a hefty £40 when new, goes for less than £100 today. In the Dr Mumby of £7.27, against a price of £10. But most buyers are annual sale of 1976, Sotheby's offered a collection of 500 catalogues dat-ing from the late 19th and

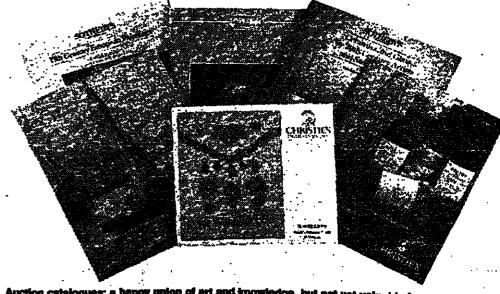
top bid of £260.
This could be changing. Sotheby's went to town on the Andy Warhol collection last year, producing four catalogues each with an introduction, slotted into a box, and priced at \$100. This sold out, being acquired by Warhol fans who could not afford to pay \$23,000 for one of the famous

early 20th centuries and got a

cookie jars, and now fetches a premium. In contrast the Elton John sale did less well in catalogue terms. Sotheby's over estimated the demand, and the boxed set of four, which cost £60 new, can now be acquired for £30.

tie's are attempting to widen the demand for their catalogues, partly because they attract bids at auctions, and partly to reduce their cost. The recent grand catalogue which Christie's produced for its October sale of Russian works of art cost £52,397 to produce. There was a larger than usual print run of £500 conter. The print run of 6,500 copies. The unit cost was £8.60; the price over the counter, £10. A more typical Christie's catalogue, for a routine impressionist sale in London, cost £35,000 for a print run of 4,550, making a unit cost

subscribers for all the catalogues in their collecting field and receive a hefty discount. For example, the 3,400 bibliophils who get Sotheby's book catalogues have had a wonderful return for their £319 fee. As well as the Garden catalogue they will currently be oggling the George Abrams collection, a beautifully produced guide to 129 incumables (books printed before 1500), plus other key



Auction catalogues: a happy union of art and knowledge, but not yet valuable keepsakes production costs by publishing works of the first 150 years of

printing. The catalogue is printed throughout in "Abrams Venetian," a typeface designed by Abrams himself, and even the over-the-counter price of £35 looks modest for such a scholarly exposition.

Catalogues are still regarded as loss leaders, part of the marketing campaign which has made Sotheby's and Christie's supreme in the international art market. They are reluctant to raise the price of their catalogues, although Sotheby's is thinking of eliminating stupendous one-off books from the annual subscription. They are aiming to save on

a uniform sized catalogue for all sales in all countries, but certain department heads jealously guard their control over the design of their catalogues.

This is one area where Christie's has the edge, at least on the production side. It owns its printers, which enables it to make a maximum charge for a catalogue of £15. It secured the Alan Clore auction when he needed to cash in his impressionists quickly mainly because it could produce a catalogue in ten days.

Both Sotheby's and
Christie's are examining ways

of increasing catalogue sales Should they sell in shops? Should they advertise them more? The day will surely come when a major catalogue come when a major catalogue collection passes through a saleroom. When it happens Sotheby's or Christie's will be hoping to relive the experience of Phillips two years ago, when it offered the catalogue, produced in 1807, of the library of the Duke of Boxburghe, and of the Duke of Roxburghe, and watched in happy bemusement when the two leading London book dealers Maggs and Quaritch chased it up from its 260 estimate to £22,000. Let us hope that they were not bidding for the same client

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# Mauled by Frankenstein

Clement Crisp spends an uneasy night at the Royal Ballet

FRE IT not for a very fine sister.

Wayne Eagling cuts to the heart of the ballet's feeling as the beart of the programme, it would be necessary to assume that the brother, possed on the edge of horror, sexually and emotionally irresistible to his sister. that Thursday's new triple bill by the Royal Ballet was devised and created by Baron Frankenstein. Wayne Eagling's rrangersten. Wayne Eaging's monstrous - in every sense of the word - gloss on the good Baron's story, Frankenstein, The Modern Prometheus, ended the evening. The opening A Wedding Bouquet was so mailed, so malformed, that it was as if Frankenstein had been busily experimenting been busily experimenting

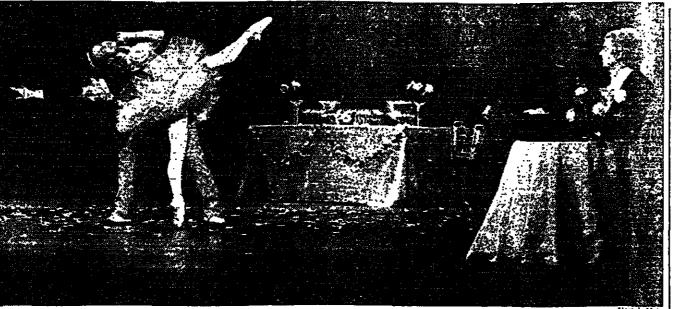
The lumbering programme building that produced this weird concatenation of works was further evidence of Frankensteinisn meddling, It was not a happy occasion, save for the return of MacMillan's night-haunted exposure of mad and incestuous games among

My Brother, My Sisters is a study of isolated and obsessive study of isolated and obsessive siblings: it has the same chill and compelling air of unreason that rages through Ian Banks's dazzling novel The Wasp Factory. Five girls' tautly focussed passion for their brother (Wayne Eagling); their brother (Wayne Eagling); their ritualistic games; the whisperings and feverish encounters in a half-light; Bryony Brind, sweetly certifiable and eddying like a threat through a dark house; these are the components of a these are the components of a brilliantly realised revival of a major piece. I have not seen major piece. I have not seen Miss Brind dance better for

of horror, sexually and emotionally irresistible to his sisters. Lesley Collier is again the bespectacled girl, by turns rival and victim to Miss Brind. Fiona Chadwick makes the youngest girl terrifying — both child-like and calculating.
Admirably tuned interpretations from the entire

cast; a strong performance of the Schoenberg and Webern scores under Richard Bernas; Yolanda Sonnabend's design a companion to the drama and its emotional resonances: these elements, and MacMillan's choreography, tell of the Royal Ballet as a strong and serious

The revival of A Wedding Bouquet, shows the company despoiling its birthright. This is the wittiest, most worldly piece of social comedy we have. On Thursday night it was performed – with the honourable exception of Monica Mason as Webster, and monica mason as webser, and a couple of minor roles — as knock-about farce of the bleariest, beeriest kind. Anthony Dowell played the Bridegroom as a rabid Monsieur Verdoux; Bryony Brind flailed as Julia, where she should be pathetic; other roles were coarsened, or blank. The cast romped, and goading them was Derek Jacobi as Narrator. As spoken by Constant Lambert, Robert Helpmann (and, indeed, by Anthony Dowell) the Gertrude Stein text used to have an extra-sec wit, with every line



Scene from 'Wedding Bouquet' Anthony Dowell, Lesley Collier and Derek Jacobi

underplayed. Mr Jacobi bas been led to believe that no phrase but must have all the juice extracted from it, that every repetition ("Josephine may not attend a wedding") can be jollied along, camped up, belaboured with vocal tricks. It was a horrid and unworthy performance, with Lord Berners elegant score driven like a Ben Hur chariot by Mr Bernas. The guardians of the Ashton heritage – of the Ashton heritage – which is a national heritage –

There is no point in commenting upon Wayne Eaging's Frunkenstein. It is an assemblage of stage tricks as a substitute for dance and drama, with an sound track that is a Niagara of saccharin, and design of commensurate vulgarity.

must look to their task.

The only intriguing matter is that the Royal Ballet should have chosen to exhume it, when the store-house of the company repertory is filled with serious master-works which would enhance, rather than sully, the troupe's reputation and artistry.

## Merce without Merce?

HE MERCE Cun-ningham season at Sadler's Wells that ends tonight is historic in that it is the first in which Cunningham himself has not performed every night. has not performed every night. Is there Merce without Merce? Of course. What's most important in Cunningham is abundantly present in his dancers. During the 1960s, there had already been revivals of several Cunningham works— Septet, Rain Forest, Duets - in which the choreographer's original role has been successfully ceded to junior dancers. I look forward now to revivals of such other works as Quartet with one of the company's more experienced male artists such as Chris Komar or Robert Swinston in the Cunningham

In the present company of 15 dancers, there is not one weak link. You can argue about this or that casting. (Isn't the new-est male dancer, Michael Cole, dancing the Alan Good role in

Pictures with rather too sforzando an attack to each movement for this Elysian work?) But it's a constant privilege to behold the steadfast power, the rapt absorption of these artists.

In the 1987 Points in Space, which returned to London in the final programme on Thursday, Catherine Kerr - recently retired - used to give a rivetingly strong, intense performance in the central duets with Alan Good. Now Victoria Finlayson, who replaces her, is an even more beautiful exemplum of still concentration. In fine points of small footwork and in the rich arch of her spine in the work's many back bends, she's ravishing; and her sudden switch in mid-duet from sustained adagio in Good's arms to urgent, unsupported allegro is thrilling. And then, suddenly, she dives backwards in a hair-raising sudden-death fall. Good catches by the shoulders a few inches off the floor. Here as element Good the floor. Here as always Good is a handsome model of calm

manly grace and manners.

The dancers would not be so glorious were it not for the teaching with which Cun-ningham has prepared them and the choreography that he gives them to perform. But there are times when, at least on first inspection, the only particular pleasure comes from seeing how splendidly they negotiate the varied supply of material they've been given. It only takes one look at the new August Pace to see, as Clement

Crisp has already recorded here that in this Cunningham has made one of his most miraculous works; and the duet material of which it is made is new and moving. But I have never had to spend so large a part of a Cunningham season fending off the wretched scores and designs. Programme two featured two other works new this year Inventions and Field and Figures - and the 1987 Carousal.
The dance felicities were numerous but incidental. I could find no connecting

Of the works new to London, the music for August Pace – Michael Pugliese's Peace Talks - is the only one with any serious distinction. Elsewhere we heard clangs, beavy breath-ing, tuneless singing - oh, all kinds of the silliest musical Dadaism. The Cunningham devotees rightly say that there is more than enough compen-sation in the dancing, from the dancers I have mentioned right dancers I have mentioned right through to the company's new-est member, Jennifer Weaver, who is modest, tall, formidably strong and already amazingly alert to the many moods of the movement. But the season has given much ammunition to those who argue that the Schools of Cage and Rauschen-berg have fallen into their dotage. Cunningham and Co. have to carry the day too often

Alastair Macaulay | conductor was Robert Ziegler

## Radio

# Young Comrade out of line

WITH PERESTROIKA flooding Europe, the basic Communism of Brecht's Lehrstücke sounds naive. The story of The Decision (Die Massnahme), which dates from 1930, is borrowed from a Japanese Noh play, used in a simpler way in Der Jasager (The One who says Yes)

a little boy is taken ill on a
mountain climb and consents for the general good to be

thrown over a precipice.
This becomes the sacrificial need for Communists to be sure they all agree with Party principles. A team of agitators from Moscow arrives at the Chinese frontier, and are met by a Young Comrade from the local people. Have you brought guns, he asks, trucks and stuff? All we have, he is sternly told, is the teaching of Marxism, the ABC of Communism. (I read Bukharin's book of that title when I was at school. Buk-harin came to the same end as the Young Comrade.)

All must wear disguise and become "anonymous." On each episode, the Young Comrade makes the same basic error: he is sympathetic. So he helps coolies beaten because they can't haul their barge for the slippery shore; at the strike-ridden textile factory he assaults a brutal policeman; with the rich businessman he asks about the workers; at the hunger-riots, he tells the rioters to storm the barracks. All these are against Party orders. Who is the Party? he asks. We

who is the Party? he asks. We are, they say, we and you. Take no line but ours.

The Young Comrade finds this too much. But when it is explained that he may endanger the whole expedition, he has account Finance finding. he has enough Einverständnis to agree with his comrades' decision - be must be shot and buried in a lime-pit so that he can never be recognised.

This is presented in the shape of a Bach cantata, with choruses, recitative and dialogue. Brecht collaborated closely with Harms Eisler, the composer. I found it hard to follow the words of the choruses, but otherwise it is eloquent in a martial way. The play, translated by John Willett, is deeply unsympathetic to me, but I am glad to have heard it. The

and the director, originally at the Almeida, was Stephen

A shame that listeners couldn't have heard Monday's play on Radio i before this one on Tuesday, for Globe Theatre brought us Redevelopment, by Václav Havel. Havel knows more about practical politics than Brecht learnt from his ABC of Communism. He lives with it in the position of the Young Comrade, at the mercy of his sympathies.

Redevelopment is a typical Havel joke. Eminent architects are quartered in an old castle, working on plans to rebuild the neighbouring town. The citizens dislike the plans, and bring a petition, signed by 216 objectors, to the Director (Martin Jarvis). The Special Secretary (John Moffatt) labels them a "pressure group," and sends them to the dungeons. But never mind, there are no

building facilities available yet. Then a new Inspector is appointed. He stops all the bulldozing, allows more individual ideas, frees the prisoners from the dungeons.
"We've waited years for this,"
says the Director, but almost
as soon as the celebrations are done, another new Inspector arrives. Old preparations are now to go on urgently. The prisoners are put back in the dungeons. When some apples are brought for them, they are cut into small pieces in case they contain messages, and will not be given until Fruit Transmission Time, weeks

Havel's talent is for people living under inexplicable constraints, and he has many chances here. His varied architects include Ulch, who believes in modern building, sentimental Plekhanov with his violin, and romantic Albert, who falls in love with Luisa, much his senior and already pledged to the Director. There is even a ghost-legend. It is not great Havel, but it is thoughtful and funny, well directed by Gordon House, and it shows what can happen under Communist Einverständnis, which is imprudent loyalty to comrades.

B.A. Young

# Madame Mao on Merseyside

is decked with posters in Chinese. The stalls kites and lanterns. Madame Mao is on Merseyside. Our oldest Chinese community -anticipating Manchester's more populous and better-known Chinatown by many years - sees the British première of an Australian play on the bastard born into poverty, an

actress-turned-politician, who briefly influenced a sizeable section of the world's population before being atenced to sew dolls and reflect on her misdeeds: and who at 76 remains unrepentant: "I have The title-role of

Melbourne-based Thérèse Radic's Madame Mao is taken by Tsai Chin. The actress parents died as a result of persecution in the Cultural Revolution; her brother was mned to hard labour The excesses are hinted at late in the play when the mathematizes sunglas bright shirts and western music — all damaed as

OVERS OF Mendels

est hits, though possibly unaware of the fact. Alas, the

composer of Jesus Christ Super

composer of Jesus Carist Super-star comes up with no such goods in Aspects of Love (released on Polydor 841 126). Michael Coveney warmly wel-comed the stage production in these pages. Superb presenta-tion may well bring out the

showbiz smoothness of it all; through-composed dialogue put

over by singing actors rather than trained operatic voices may well indicate the future

path for music theatre. But merciless exposure to Lloyd

Webber music and the words of Don Black and Charles Hart

with no visual distraction

eaves one numbed with over-

This Never-land, after David Garnett, of rich English sculp-

tors with French villas, Italian mistresses and Shantung scarves to stanch wounds

inflicted in *crimes passionnels*, looks wildly novelettish in its post-war setting. Couplets like

whelming tritenes

sohn's Violin Concerto Andrew Lloyd Webber's great-

and suggests, if nothing else, a will of steel. The author inds a consistency in the pretty actress who loved the silks of fashionable Shanghai (even when politically educating the workers), the young player who suddenly identified with Nora in Ibsen's A Doll's House, the text — or at least sexual manipulator
and the vengeful dictator,
a consistency that springs
from a quickly arrived at

The child Jiang Qing was brought up as a woman and thereforea chattel. A schoolroom scene portrays the young girl humiliated by a supercillous teacher who drills the sayings of Con into her to reinforce the inferiority of women. This puts the brainwashing slogans of Chairman Mao into a cultural perspective and is ironically echoed when, years later, she consigns Confucins to the flames of burning ooks, despite her husband's

misgivings.

The womanising Mao was her fourth husband. (Her third, "a theatre writer of romantic character and cosmopolitan culture" evidently a critic — was

suicidal and ended up running a Chinese restaurant in Paris). She was his fourth wife; the grim tenacity with which she kept in the background and bore his infidelities while biding her time recalls Catherine de' Medici. Among all the political slogans we find her reiterated conviction that "Men are evil; we must

outrus them or die."
The hundreds of thousands who suffered and died, the irreplaceable treasures stroyed, are not dwelt on. Morally the play remains ambiguous. The strength of Peter Oyston's production lies in the Chinese theatre stylisation of much of the action, aided by Sue Lefton's the Red Guard torture their victims in wordless, balletic mime. Flags, musicians, scane setting banners help unfold the story. As yet the pace lacks smoothne lengthy scenic preparation often swamps the episodic, sometimes cryptic writing. What should be a strong Act appearance of Mao, fizzles out as the actors wander variously off-stage and the audience wonder when to clap. In the second half when

political discussion takes over the pulse flags and the spectacle lose dramatic speciacle lose dramatic impetus, especially since Tsai Chin makes a small-scale, understandably reserved monster/victim. The other nine players share many roles. Tony Steedman hardly distinguishes between Mao and his other embodiments of male authority and

of male authority and sexuality – slightly confusing when, like Elchard III, Madame Mao is visited by the ghosts of her past. Norcen Kershaw (the original Shirley Valentine) is a vigorous comrade and early ally whose family become victims of the impersonal juggernant of the Cultural Revolution.

set — sliding platforms, a flaking Chinese arch, poles stack upright into the gro for prison bars - and Patrick Dineen's songs enforce the ccasionally Brechtian flavour. We even see the indefatigable iron lady redirecting the Peking Opera in her politically okay revision of culture. Perhaps it's as well that we are governed by leaders without the faintest interest in the arts.

Martin Hoyle

# 1 GOWAN

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## Records

# Showbiz on disc

made have gone down the drain/ After today there'll be no more Champagne" emerge naked and unashamed, as does the authors' slovenly way with the language (For heaven's sake! Who's making all that

mayhem?).
Mr Lloyd Webber's blowzy
and grudging muse is inadequate for high drama or profound emotion. "Love Changed Everything" is a rather good tune, but the composer does little with it except repeat it, conveying intensity with volume – taciles that fail to work with inferior material like "Seeing is Believing." At best the score has an oddly outdated milk and water lyricism that recalls the junket wholesomeness of, say, Our Miss Phoebe. The cast — accents just this side of mid-Atlantic, ust the right level of suburban acceptability - is ideally gauged, like the whole kitschy enterprise, to the coach trade.
Sadler's Wells New Opera
recorded its revival of Noel
Coward's Bitter Sweet last
year (TER 1160). The handsomely produced two-disc set includes nine numbers never recorded before and background notes by experts Kurt Ganzel and Sheridan Morley— who reminds us of the work's genesis in a Fledermaus record,

CHESS No. 797 L ... Rb2? (simply Re5 2 Rb4 b5 draws) 2 Rb4 b5 3 axb5 a5?? (axb5 draws though a pawn down) and both players missed 4 b6 axb4 5 b7 when the pawn though "What Is Love?" sounds nearer the Polovisi than the Prater. The new orchestrations might be more apt to the bustling banality of an old Look at Life sound track and set a rather coarse-grained note for the rest of the revival.

Valerie Masterson predicta-bly provides the best singing but shows up Martin Smith as an actor in musicals rather than a singer - "If You Could Only Come with Me" is hardly vocalised at all. A lightweight hero who almost croons, he sounds less romantic than

Apart from such classics as "I'll See You Again" and "Zigeuner," the score taps a vein of gentle wistfulness in that flawless gem, "If Love Were All." Rosemary Ashe's thickly laid-on French accent distracts from its delicates. distracts from its delicate charm. Pace and mood, here as elsewhere, are turgid. The "Ladies of the Town" are raucous Cockneys, so many Eliza Doolittles, and the "Green Car-nation" is squawkily camped up. Evidently Coward now requires a style, a lightness of touch, as alien to us as Restoration comedy.

The newly recorded items throw up no new treasure. The general impression is of a waltzing, swirling Coward in romantic mood. Heretically one might suggest the plums should be accommodated on one disc. The long Act 1 finale with its plot ramifications and development does not really hang together. Coward could have learnt from Gilbert and Sullivan here. The generally decent voices even include.

among the footmen, Michael Chance, now making a name in the counter-tenor reaches of

After the artistic stagnancy of Lloyd Webber and the over-frilled furbelows of Coward, Flora the Red Menace comes as a gust of tangy fresh air. An early Kander and Ebb show, this Depression-era anecdote of struggle, optimism and resilience flopped on Broadway in 1965 despite the combined talents of Liza Minnelli (star), George Abbott (director) and Harold Prince (producer). A 1987 revival in the small Vineyard Theater with a cast of young unknowns, a rewritten book and a single plano, comes up fresh and touching on TER 1159.

The play within a play is performed by young actors on a WPA grant in 1935. The show is punctuated by a "Street Song" (refrain: "Mister, just give me a job") and is characterised by energy, urgency and hope, as in the ensemble "All I Need is One Good Break." It is devoid of sentimentality or devoid of sentimentality or self-pity. Exuberant Flora has a new number written for the revival, "The Kid Herself," in which the delightful Veanne Cox never lets us miss Min-nelli. A tour de force patter number when idealistic Harry almost sweeps Flora off her feet and into the Party, with an ever-lengthening cumulative refrain ending in "You're a communist - sign here!" is show-stoppingly done by Peter Frechette. The activist villain-ess is introduced in sinisterly Russian melodic mode, but there are no real villains in this affectionate piece, any more than there is tragedy; just a shrug, a wry grin, and wondering what tomorrow will

Martin Hoyle

ST. JOSEPH'S HOSPICE MAREST. LONDON E**2 45**A (Charity Ref. No. 231323)

Your care is what makes me lee! sale and secure in your hands. It is when you show me I am special among a hundred others who are also special. It is when you rise above thinking of me as dying and so help me to live" —words from one patient quoted bere in thanksgiving to you for your very kind support.

"ENDISM" IS all the rage at present. The end of history. Of communism. Of love, literature and Nigel Lawson. Strange to relate, but endism only seems to exert an influence on large subjects or objects. There does not seem to be any micro-endism. No-one, for example, is suggesting that sport is coming to a pre-millennial end, let alone that one of its most glamorous and satisfying components, horse racing, is remotely on its uppers.

Racing is thriving - particularly in England, particularly at Newmarket, its venerable headquarters, where a few days ago I watched the gold and russet leaves of the chestnut trees at Pegasus Stables flutter to the ground. In a few months' time, however, those same chestnut trees will be bursting into leaf again in cele-bration of the start of James Fanshawe's career as a racehorse trainer.

Fanshawe is 28. He is tall (6ft 2ins), gangling, bespectacled and extremely well-credential-led, having served seven years as assistant to Michael Stoute, one of Britain's most successful trainers — a preparation that will have left Fanshawe with no illusions as to what is required to make a name for imself on his own.

Plenty of young trainers are in the process of establishing themselves, helped by the wave of prosperity on which British racing appears to be launched. Among them, Fan-shawe's qualifications seem as good as anyone's. He looks to

# 'You've got to have an eye for a horse'

have a shrewd eye for a horse; will have learned many hard lessons at Stoute's; has a broad range of contacts and is unstuffy and modest - quali-ties not always associated with the training profession.

"The last thing I want people to think," he told me, "is that I'm some sort of whizz kid who thinks he knows it all and is about to start winning everything in sight. Racing isn't like that."

A trainer's life sounds jolly pleasant - up with the larks, a 25-course breakfast, out on the gallops, off to the races, hobnobbing with sheikhs and queens, top hat and tails, rivers of champagne, bashing the beastly bookies, nonchalantly smiling as another winner flashes home, a Lear jet to Kentucky, caviar by the bucketful - the money just rolling in. (Apart from training fees and a slice of the prize money. there are numerous ways in which top trainers grow rich, from betting – if they want to – to buying and selling blood-

The reality is different, at least for most trainers. It is all about basics, which is why the first thing Fanshawe showed me when we strolled round the yard was a newly-installed corn-crushing system. "Austra-lian oats, Canadian hay," he said tersely. Nor does the yard



James Fanshawe at Pegasus Stables. Newmarket

ring with superfluous witticisms. Racing is a business, training is deadly serious, which is why one of Fan-shawe's staff told him as we entered the yard: "Key's doing the Shahrastani, so there's just the Elegant Air to muck out this afternoon." Fanshawe seemed pleased with this cru-cial intelligence.

Pegasus is leased. Fanshawe moved in a year ago. It is an historic yard, built by Fred Archer in 1883 and home of the 1919 Epsom Derby winner, Grand Parade. In recent years it has been used by trainers Bill Watts, Michael Jarvis, Clive Brittain and Patrick Ras-lam. It is in need of some repair, and its famous clock is broken, but it is an ideal establishment from which to launch a career.

There are 57 horse boxes and seven acres. It is beautifully quiet. When I talked to Fanshawe he already had 20 horses in his care, including 18 year-lings (soon to become twoyear olds), owned by 14 own-ers, having attended all the main European yearling sales this year and attracted patrons from Sweden, Japan (he hopes), the US, Ireland, England - and Dubai, which means the horse-mad, money-no-object, ruling Maktoum

The price range of the year-lings in Fanshawe's care lings in Fanshawe's care ranges from 2,000 guineas (1 guinea = £1.05) to 56,000 gms, with some of them still for sale or lease. "I will definitely have at least 25 horses by the start of the next Flat season," he says. This is the minimum that his accountent thinks neces. his accountant thinks neces-sary for a Pegasus-sized yard. "A lot of the horses will be named after the firms that have bought or leased them."

When I arrived at the stable Fanshawe was entertaining Syunichi Yamada, the presi-

nt of a firm of Japane struction consultants, who had that special brand of jollity that marks the Japanese rich. James Fanshawe was born to train. His family background is almost exclusively military. He spent his childhood in War-wickshire and then in Galway

where his father was master of foxhounds of the Galway Blazers. Then the family moved to the Cotswolds. James rode ponies from the age of four, and was point-to-pointing and

chasing foxes shortly thereaf-

He left school at 18, spent a month working on his father's farm, and then launched himself on the training ladder, first with George Fairbairn in Northumberland, then Josh Gifford, then David Nicholson, then with Michael Stoute, where he was responsible for one of Stoute's two yards, Beech Hurst.

At Pegasus Fanshawe has assembled the makings of a young and talented staff, ncluding Paul Carvill, assistant trainer, Michael Reid, head lad, and apprentices Lee Arnold and Kevin Rogers. Fanshawe hopes to use top jockey Walter Swinburn whenever

"When you first start you're grateful for any horse that comes into the yard," he says, "but you want a balanced team as well. You want two-yearolds that are going to make an impact fairly quickly, but that also have scope for training on. Basically, I'll buy horses that I like. A lot of things are important - movement, limbs, ath-leticism, personality and outlook. You've got to have an eve for a horse and no mistake. Whether I have really got the 'eye' will rapidly become

As for training, he says that there is no particular magic to

it. "It's about hard work, management, team spirit, detail." On the other hand, explaining what ingredient distinguishes an out and out genius like Noel next to impossible.

Murless or Vincent O'Brien is These are boom times for British racing, agrees Fan-shawe. There is a great deal happening - satellite broad-casts of racing to betting shops, which should help boost the betting levy, the tougher

stance on whips, night-time racing, all-weather tracks." On the other hand, the inflation of racing costs shows no sign of being checked. The top Newmarket training rate is now about £30 per day - £210 per week - though that is extremely basic and does not include extras like gallop fees, shoes and plating, routine veterinary attention (say £20-£30) per month for vaccinations and teeth rasping, though vets' fees can easily balloon, with equine operations costing much the same as human surgery),

insurance, registration fees, travelling, race entry and jockeys' fees, and on and on. James Fanshawe will not be charging £30 per day, at least not to start with. But he hopes his time will come. In the view of Michael Stoute, Fanshawe has all the qualities needed to succeed - above all, dedication. If he really makes the grade, he will be able to import his own brand of caviar in his

> Michael Thompson-Noel

## T WAS quite like old times at Wembley. John McEnroe was back in town and the rulers of the men's game were engaged in one of their periodic bouts of in-fighting. The left-handed American first won this

tournament in 1978 when it was the Benson and Hedges championship, and he claimed it four times more in the five years that followed. Having climbed back to a world ranking of No. 4 after a period in the doldrums, it seemed right, therefore, to see him seeded No. 1 again at the newly-named Silk Cut Challenge.

McEnroe was also playing some beautiful tennis, directing occasional snarls at the court officials and offering unsolicited advice to the umpire as he breezed through his first two rounds against fel-low-American Scott Davis and the German Davis Cup player, Eric Jelen. But there is a mellowness about the 30-year-old warrior

There used to be moments during the winning years when one felt acute embarrassment watching the perfectionist streak wreaking its havoc. Now, there is less venom in the protests — perhaps the result of marriage to Tatum O'Neal and the responsibilities of fatherhood contributing to the maturing process. Whatever the reason, the spectators in the refur-hished Wembley Arena seemed glad to see

# McEnroe makes it a Challenge to savour

## **John Barrett** revels in a week of Wembley tennis with more than a touch of old times

Indeed, they were almost as glad as tournament director Len Owen of Gallaghers. When the original calendar was announced, pitching his \$517,000 event against the \$1m tournament in Stockholm, he seemed likely to be presiding over a monumental flop. As it has turned out, the first tournament under the new banner has produced an attractive field and some fine tennis. And last night's contest between McEnroe and the mysterious Czech, Miloslav Mecir, promised to be the match of the tournament, with Michael Chang's engagement against the top Russian and No. 7 seed, Andrei Chesnokov — a repeat of the French semi-final — almost

Even in defeat, 37-year-old American Jimmy Connors, seeded four, who won the first B&H tournament in 1976 and beat McEnroe for a second title in 1981 (a memorable five-set match, that one), produced some delightful moments against fellow left-hander Alexander Volkov, 15 years his junior. The tall Russian is one of those

frustrating opponents who, despite a cer-tain stiffness, hits fluent shots, hard and true, that are either virtual winners or

expensive losers. It is only when you discover that Volkov is really a right-hander, who plays with the left only because he twice broke his right arm when learning the game as a youngster, that you realise why he sometimes looks awkward. In the circumstances, his progress is astonishing. Against Connors, the Russian lost the

first four games but got himself into the contest by extending the opening set to nine games. When Connors broke to lead 4-3 in the second set, the match seemed as good as over. But here, the years caught Despite having just won his 108th and

109th tournament titles - in Toulouse (where he beat McEnroe in the final, incidentally) and Tel Aviv - Connors now is subject to that most dreaded of all complaints for professional sportsmen, concentration slip. I remember the ageing Ken Rosewall, still winning circuit tourna-

ments well past his 40th hirthday, describing the unnerving experience of realising suddenly that two games had passed without him remembering a thing about them.

Tuesday, it was pleasing to see Britain's only qualifier, Mick Brown, come so close to beating Chesnokov, who won an absorbing battle 4-6.7-5.6-2. Brown is an enterpris-Connors had a few such moments of amnesia. Four forehand errors allowed his opponent to believe he might have a chance. The Russian took it beautifully, and even survived a match point in the final set before completing his 3-6 6-4 7-6

As a footnote it is worth recording that Volkov's brittleness cost him his next match against Robert Seguso, who won their entertaining battle 64 2-6 7-6. The American can be congratulated for surviv-ing on little sleep for he is in London with his wife, the former Carling Bassett, and their 20-month-old son, Holden. At the tournament dinner on Monday,

Holden fell asleep on his father's shoulder after enjoying a playful romp with Milos-lay Mecir jun., who is a couple of months older. Such are the problems of the itiner-In another opening round encounter on

ing chap. At the age of 27, he decided to return full-time to the circuit this year after almost five years as a coach at David Lloyd's indoor clubs. Brown became convinced there might be

a future as a circuit professional following his success in last year's Mortgage Corpo-ration League when, playing at No. 1 for Lloyd's Raynes Park, he brought in the points regularly with victories over experi-enced players like Peter Fleming and Dar-ren Cahill. In the circumstances, a ranking of 151 at present is no disgrace. But the of 151 at present is no disgrace. But the next step - breaking into the top 50 to ensure an entry to the main tournaments

- will be a real test of character.

Despite the benefit of help from Ian Bar-clay, Pat Cash's Australian coach — who, sensibly, has been introduced to the top British players by national team manage Warren Jacques - there are still technical flaws in Brown's game, especially on the

forehand side, that will be difficult to eradicate and impossible to conceal.

These are the real moments of truth in a player's life. If Brown can learn from them, and maintain his improved work rate, he could yet become the best of the

own little Lear jet.

British men.

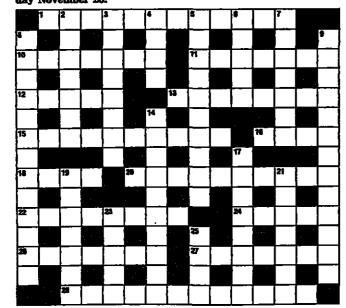
Meanwhile, there are some interesting developments in the battle for supremacy between the ATP tour, the 1990 circuit organised by the players, and the Establishment. Doubtless encouraged by pro-moter Ion Tiriac, who acts as their consul-tant, the German Tennis Bund have said will not sanction the Grand Slam Cup, the new \$6m event to be held in Germany next December for the eight men who perform best in next year's four major championships and the Davis Cup.

Dr Axel Meyer-Woelden, the promoter of the Grand Slam Cup, is threatening to sue the Bund if they continue to oppose the competition. "What they are doing is against German law. They have no right to sanction or not to sanction the cup," he told me. "It is entirely outside their juris-diction. Of course, I would welcome their co-operation and I hope that some sensible arrangement will be made for them to become involved."

As the plot thickens, this everyday story of millionaire folk will deserve a full inves

## CROSSWORD

No. 7,087 Set by CINEPHILE Prizes of £10 each for the first five correct solutions open Solutions to be received by Wednesday November 22, marked Crossword 7,087 on the envelope, to the Financial Times, Num-ber One Southwark Bridge, London SEI 9HL. Solution on Saturber One Southwar day November 25.



- ACROSS 1 Pictorial artist inspired by Hogarth or (initially) Mod-ern Great (12)
- 10 Beast eastern family in fireproof dish (7) 11 French in American country find me scent (7)
- 13 Isles of man and women getting married (8)
  15 Business partnership of a
- kind in hemlock (10) 16, 18 Start scheme for fewer 20 Insignificant presentation of calf love in art (10)
  22 Abandon enterprise? (Note
- bill held by European or Asian) (4.4) 24 What to do with a caravan that is to say (2,3) 26 Moor to return greeting (7)
- 27 Book about wireless operators as singles (7) 28 Square piece of writing from French put through the mill

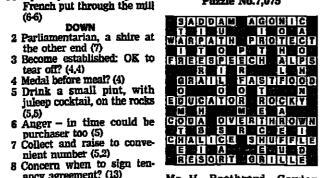
- ancy agreement? (13) 9 Rude remarks by well known people (13)

  14 Threat of violence upsetting
- to doctor's locum (5.5) 17 Latin man turned out such a brilliant performer (8)

- 19 Transport affectations to fruit of rose (7)
  21 Western doctor in light at start of month? (3,4)
  23 Hay collector takes water from boat (5) 25 Beast of a party (4)
  - Solution to Puzzle No.7,086

THEHORSESHOUTH
TAYER ON O
RAZED SOHROWFUL
O AR OEN III
PURLOIN DEBIITED
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Puzzle No.7.075



Mr H. Boothroyd, Gaydon, Warwick; Mr O.H. Cleaver, Ferndale, Glamorgan; Mr J. Creber, Saltash. Cornwall; Mr J. Gillett, Ledbury, Hereord-shire; Mr D.W.J. Miles, Geneva, Switzerland

BBC1

200 am The New Adventures of Mighty Mouse. 2:15 Eggs 'n' Beier. 2:25 Thunder-cain. 2:26 Going Livel Yirt5 The Lord Mayor's Show: Sive Going Livel Yirt5 The Lord Mayor's Show: Sive coverage of Aderram Sir Hugh Sidwelf a first appearance as the 682ml Lord Mayor of London. 12:12 pm Weather. 12:15 Grandstand Seathing 12:26 Footbail: 12:36 Ranking (Mobil 7 Railly Challenge); 1:25 Ranking (Mobil 7 Railly Challenge); 1:25 Ranking Grandstand Seathing 12:26 Ranking Iron Endeminent; 1:25 Railly Challenge; 1:25 Ranking Formula from Badeyteath; 1:25 Racing from Chellenham; 1:26 Ranking Formula Seath (Bell Harin 12:26 Railly Langue (Great Britain V. New Zosland at Wigen); 2:45 Footbail: 2:50 Rugby Longue; 2:26 Rugby Union; 4:46 Final Soots.

2:50 News. 3:10 London - Sport (Other regions - Regional News and Sport, 3:15 Roil Hearts Cartoon Time, 5:06 The New Edmonds Salardsy Roadshow, 2:25 Both Full House. 7:50 Russ Abbot. 7:20 Hearts of Gold. 2:19 All Creatures Great and Small. 2:36 News and Sport. 2:15 Royal British Legion Festivat of Ronombrazoo. The Cueen Mother and members of the Royal Fatelly at the Royal Albert Hall. 10:28 Saturday Medians with Suc Leveley. In the lest show of the series, questinclude playeright Dernal Potent. 11:25 Fize: "Hustle" starring Burt Reynolds, Cafferine Brennan, Ernest Borgnine and Casharine Bach. 1:25-1.10 am Weather.

## BBC2

\$00 am Open University, 10:15 Film: "L'I Abner" starring Peter Palmer as Abner, Lee-lie Parrish and Southy Kaye. 12:16 Parrish and Southy Kaye. 12:16 Parrish and Southy Kaye. 12:16 Parrish and Farrishment USA Z. Jonathas King visits Sacramento, California. 12:45 The Soury of English Furnibura. 1:19 Voices trom the Doll's House. 2:09 Noterork East, 2:09 Animation New. 3:50 Firs: "Evils - The Movie". 5:46 Reptio. 6:15 Newsylew. 7:50 Ashignessy - Back in the USSR. 8:15 Saturday Night Cilve. 10:30 The Nutl House.

# 10:25 Film: "Miracle in Rome" (Spanish with subtition), 11:46 The Film Club. Terry Jones introduces a comedy reliecting the work of Hollywood writer/director Preston Sturges, 11153-1.15 mm "Suffiver's Travels" starring Joel McCrea and Verorice Lake.

\$500 am TV-am Breaklast Programms. \$25 Childran's ITV: Motormouth 2. 11:30 The ITV Churt Show. 12:30 gm ALF. 1:30 ITN News, tollowed by ITV national weather. 1:35 Loss and an weather. 1:15 Saint and Graevele. 2:48 Sportsmasters. 2:16 Film: Pautie for the Planet of the Apac" with Roddy McDowel. 2:50 Coronation Street. 4:16 Results Service. 2:50 ITN News tollowed by ITV national weather. 2:15 Local news and weather. 2:15 The A-Team. 2:16 Catchphrase. 5:45 Sind Date. 7:25 Sendid's About. 2:55 Murder, 3the Wrote. 5:50 Sind Date. 7:25 Sendid's About. 2:55 Murder, 3the Wrote. 5:50 Sind Date. 7:25 Sendid's About. 2:55 The Dame Softs Experience. 11:16 Tour of Duty. 12:16 am Saturday Night at the Movies. 12:50 Titls Insylventh - The Love Goddeen' starring Lynda Curter.

# CHANNEL 4

CHARRIEL 49
Rating: The Morning Line. 2:25 Sing and
Swing. 2:36 Same Difference. 10:30 4 What
I's Worth. 19:33 Film: The Solid Gold Casiller," with Judy Holliday and Paul Douglas.
12:25 pm Dence With Ma. 12:35 Charmel 4
Racing from Thirsk.
2:35 A Day at the Races, 2:16 "Written on
the Wind" Insturing Dorothy Malone and
Rock Hudden. 6:05 Eroclaylid Committee. 2:36
Right to Reply. 6:36 Stoler Childhood. 2:36
The Committee Touch. 6:59 Yaton Quest. 8:10
4 Plays Challes of Love. 18:28 The Session.
11:25 After Dark.

**S4C WALES** As Charmel 4 except: 10:00 am Stolen Child

## SATURDAY 1 11:08 A Gardener's Guide. 17:00 4 What 8's Worth. 112:08 Union Meide. 2:05 pm Gwyl. Cerdd Dant Cymru. 18:06 Night Meil. 6:38 The Couby Show. 7:00 Ar y Bots. 7:50 Newyddion. 7:00 Gwyl. Cerdd Dant Cymru. 8:05 Y Maes Chwarns. 8:35 Gwyl Cerdd Dant Cymru.

12:30 pm Batmen. 11:16 Saturday Hight at the Movies. 11:46 Drive in Saturday: "The All Highter".

12:26 pm Saturday Night at the Movies, 2:10 The Life and Tisses of Grigsty Adams, 2:06 Disney's "Spot meris in 2", 3:15 Bullesys, 3:65 Who's the Boss?, 11:16 Baturday Night at the Movies, 11:16 Film: "Rollerball" starring James Caus.

## CEDITRAL

CHANNEL

12:00 per Hot Water. 1:05 Diary Notes. 2:10 The Ngalo March Mystaries. "Died in the **GRAMPIAN** 

## GRANADA

TELEVISION & RADIO

12:20 pm Saturday Night at the Movies. 2:18 The Life and Times of Grizzly Adams. 3:05 Disney's "Spots marks the X", 11:18 Saturday Night at the Movies. 11:46 Film: "Rollerball" sturring James Cass.

12:30 per Seimen. 11:18 Seimeley Night at the Movies. 11:40 Crime Story. 12:40 am Three's SCOTTISH

## 12:30 pm Schurdey Night at the Movies. 11:18 Schurdey Night at the Movies. 11:16 Film "Moomele, Dearset" sterring Paye Dunaway Diana Scarnid and Stave Forcest.

TŞW thing put The South West West, 1:40 Take the Flungs, did Newsgorf, Eric Gus Honey-bun's Majo Birthays, 11:10 Saharday Night at the Movies, 11:40 Film: "Rollerbell" star-

## TVS

12:38 pm Hot Vister, 2:10 The Ngalo March Mysteries: "Died in the Woot" starring George Beker and Vio Huster, 11:10 Tour of Duly, 12:18 am Saturday Night at the Movies.

TYNE TEES 1230 pm Seturday Hight at the Movies. 2:58
ALF. 4:29 Bullarys. 2:55 Northern Life: Seturday Special. 11:16 Seturday Night at the Movies. 11:55 "Hotterbell" starring James Cantand Raigh Richertson. 12:36 pm Saturday Night at the Moviee. 2:19 First: "Nearest and Doerest" starring Hydra Saler and Jimmy Jewsl. 3:56 The Life and Times of Grizzly Adams. 11:19 Saturday Night at the Moviee. 1:109 First: "RollerSelf" starring James Casn. John Houseman and Messi Adams. YORKSHIRE

## 12:36 per Who's the Boss?

RADIO (5) Stereo on Fili

RRC PADIO 9 2005 FRADIU 2:

Rolf an David Jacoba, 200 Scanda of the Eth
with Jissery Tarbuck. 10:00 Anna Robinson.
12:00 Garaid Harper. 138 par The News Huddiness. 138 Sport on 2. Including Football,
Ringby Union, Tennis, Ragby League and
Racing Iron Cheltenhem.
200 Cinema 2. 200 String Sound. 2:09
Royal British Lagion Feetival of Romembrance in the presence of the Cusem and
members of the Royal Family. 2:00 When the
Swilag conten murchit Quis. 1:36 Colin Berry
presents 'Wightride', 2:00-4:50 A Little Night
Music.

## BBC RADIO 3

7:30 am Morning Concert. 8:30 News. 8:35 BBC Scottish Symphony Orchestra, with Thomas Trother (organ; Wagner (Septred IdVII), Poulenc (Organ Concerto), Wagner (Good Fridey Music from Paralla!). 2:38 Saturday Pewlew. 1:00 pen News.

1:35 Music from Portugat. Harold Leater fectigatant) plays sondats by 18th century Liebon composers F X Septiets and Fr Manual de Serto Etta. 1:55 Harson String Cumstet Mozart (Cusriet in D, K173), Schubert

(Cuartet in G minor, D173). 225 From the Festivels 1989, Eiger's emitoric 'The Dream of Gerondus'. of Gerondus".

265 Debut: Todd Crow (pieno): Haydn (Sonstas In C, HOV 48 and in A flat, HXV 49, Bartok (Dence Solle), 550 Jazz Record Requests: 546 Critics Forum. 625 Beethoven and Shostakovich. Moray Weistrofflooring Martin Rocce (pieno): Beethoven (Sonsta Op 59), Shostakovich arr Atomnyan (socaepts from Solle: The Gadfly 7:15 "The Duterus": Westerd Festivat Opera production of Prokofflooring opera. [825-845 Gerald Dates discusses the strange intersections in the fives of playwright Richard Sinsisy Sheridan and Theobald Wolf Tone).

16:18 Studio 3: "Fine Day for a Hunt' by Tom Macintyre. 16:25 Frescobaldi. Selection from the Second Book of Vocation played by Lorenzo Ghielmi (organ and herpethord). 10:35 Outside In. American plantsi Geri Allen and British escophosist Courtney Pine play a selection of their own compositions. 12:30-

## BBC RADIO 4

7:30 am Today, \$60 News, \$60 Sport on 4, 258 Breakinsey, 16:50 News, Loose Ends (a), 11:30 News, The Week in Westminster, 11:30 Europhile. 12:00 Money Sov. 12:25 per The News Cut. (a), 12:28 Weather, 1:30 News, 1:18 Any Questions? 2:08 News; Any Answers? 2:39 The Action of the Tiger. Pley by Pater Roberts (a), 4:09 News; Age to Age. 4:20 Science New. 290 Conversation Pieza. 8:25 Week Ending. 8:30 Shipping Forecast, 4:06 Weekther. 6:200 News; Sports round-up. 8:25 Clitzans (omnibus edition) (a), 7:19 Step.

This Saturday-Hight Theatre (a), 8:18 Music in Mind (a), 8:10 Ten to Ten (a), 5:30 Washer. 18:00 News, 18:18 Copen Mind. 18:48 Feber, Deer Father (a), 11:38 Lonin of the Rovers (a), 11:38 Lonin of the Rovers (a), 11:38 Lonin of the Rovers (a), 12:38-12:38 attr. News, 11:38 Armold Brown and Company (a), 12:38-12:38 attr. News, 12:38-12:38 attr. News, 13:38 Lonin of the Rovers (a), 12:38-12:38 attr. News, 13:38 Lonin of the Rovers (a), 13:38-12:38 attr. News, 13:38 Lonin of the Rovers (a), 13:38-12:38 attr. News, 13:38 Lonin of the Rovers (a), 13:38-12:38 attr. News, 13:38 Lonin of the Rovers (a), 13:38 Lonin of th

## SUNDAY

BBC 1
but am fit My Pleasure. 2:18 A Life Of Our
Cover. 6:40 Buonglome Italial 16:85 Hind Uniu
Bol Chast. 16:85 The Centraph: coverage of
the Remembrane Day parade and service in
London's Whitehall in memory of those who
died in two word wire.

11:55 Tale is the Day: worship uniting viewers at home. 12:35 pm See Heart 12:30 Country File. 15:00 News; On the Record. 2:30
EastEnders. 18:00 Files: "Angels One Files"
starring Jack Hawkins and Michael Boelson.
4:55 Superdops. 5:15 The Cicthes Show.
6:00 Reyal Mission: highlights of the Far East
lour of the Prince and Princess of Wales to
indonesia and Hong Keng. 6:19 Sasping Up.
2:29 News.

6:25 Songs Of Praise for Remembrance.
7:15 Last Of The Satemer Wine. 7:45
Howards Way, 2:25 Greed. 20:5 Mother Love.
10:20 News. 10:15 Heart of the Maister. 19:28
Mooalc. 11:26 The Sky at Night. 11:49 Network East, 12:20-12:25 as Westher.

# BBC2

BBC2
2:10 em The Hallo Spencer Showl. 2:35
Umbralia. 2:50 Smoggles. 2:15 Corners. 2:20
Visionarios. 2:55 Blue Peter Orinibus. 16:45
Bluebirds. 11:10 Bexpops. 11:58 The O Zone.
12:10 pas Reportage Updata.
13:10 Animation Row. 1:29 40 Minuses. 2:00
renns. Live coverage of the Star Cut Mexicon
men's final from Wembley Arena. 4:10 Raily
Report 36 (events of lest year's Lomburd
RAC Raily).
2:30 Rugby Special: highlights of Muneter v
All Blacks. France v Australia and Lalcaster
v Saracona). 6:60 Julie Box July. 6:25 The
Monoy Programme. 7:15 The Centulaph
(recording of this morning's parade and service in Winterhall).
2:10 The Magrum Story. 2:25 Sim Calllard's Chilication. 10:15 Rim: The Bey Boy
with Kiefer Sutherland and Liv Ullmann.
11:55-12:30 am Rapido.

## LONDON

e:00 am TV-am Breddoxt Programme. \$455 Children's ITV: The Disney Glub. 18th Link. 19429 Membey Worship. Remembrated Day service from Coventry Cathedral. 1140 Pzia. 12:00 The Human Factor. 12:30 per 3st with Klemmer. 12:48 Police 5. 12:39 Local news

and weather. 1:38 TTN News, followed by TTV national weather.

1:10 Syewthese. 2:60 McCloud. 2:55 The Privos and Princes of Wales in the For East. 2:25 The Match. Manchester Utd v Notingham Forest 8:25 Sunday Sunday.

6:20 TTN News, followed by TTV national weather. 6:35 Local news and weather. 6:45 Highway. 7:15 Close in Home. 7:45 The Ruth Rendell Mysteries. 8:55 TTN News, followed by ITV national weather.

9:50 Local Weather. 9:55 London's Burning, 19:56 Splitting Image. 19:25 The South Benk Show - Filterovia, Writers in the Wor. 11:25 The Whitspread Round the World Yacht Rece Update.

# CHANNEL 4

450 sen Devid the Gnome. 8:30 Boy Dominic. 9:30 Dennis. 9:25 Orientations. 18:36 The Unquiet Mind. 11:30 Pob's Programme. 11:30 The Henderson Kids. 12:36 The Wallons. 1:36 pm Land of the Glants. 2:36 Stars in a Dark Night. 2:36 The Railrodder\* (Supter Keaton stars as bineast). Night, 239 "The Halflooder (Bugler Kellen stars as himself), 439 Arr of the Western World, 430 Moving Sills, 446 Answering Back, (Mary Cotiching Interviews Sir Denye Honderson, chairman of CQ, 825 News Summary and westers, 826 American Footbell, 626 The Wonder Years, 730 Equinoc Dendiy Fortok, 856 The Medis Show, 930 One Hour with Jonathan Ross, 1620 Hitch on 4: "The Man who knew too match" 72:15 am American Football, 1:45 The

## S4C WALES

As Channel 4 excepts
500 and Helping Henry. 8:15 Histon. 18:89 The
Commons Touch. 1:30 pm For Better or
Worse, 1:30 A Family at War. 1:230 Flam.
"Hyphery Street" with Ricardo Montaibes.
4:15 Ealenton Might. 4:30 Equinor. 7:30 O Bedwar Ban. 7:15 Sam Ten. 7:28 Newyddion. 7:38
Christo Garnol. 1:20 Wydraec Ym
Mywyd. 8:29 Y Duw Byw. 8:35 The Modia
Show. 18:56 A Time for Representation. 11:35
Flam. "Scottand Yard".
BAR Regions as London except at the
Jolforning Sees:

# Prince and Princess of Wales in the Fer East. 255 Wheel of Fortuna. 255 Bulleays. 805 Cartoon Time. 828 Whitthreed Round the World Yacts Race Update. 1136 Prisoner: Cell Block H.

BORDER 12:25 per Lundmark, 2:96 The Prince or Princesa of Wales in the Fer East, 2:30 Con nation Street, 8:35 Scotsport, 11:35 Prisone Cell Block H.

12:36 pth Hare and Now. 206 The Prince and Princess of Wales in the Far East. 2:38 Best and Marsh. 8:25 Bullesys. 6:05 ALF. 11:36 Prisoner: Cell Stock H. CHANNEL

12:28 pm Reflections. 12:25 Les Français Chez-vous. 12:30 Cyril Pistcher's TV Garden. 2:05 Dog Days. 2:25 The Prince and Princess of Wales In the Far East, 2:25 Guilseys. 11:85 The Haman Feator. 11:59 Film: Alistair Macienn's "Bear teland". GRANPIAN tacing pm Landmark. 200 The Prince and Princes of Wales in the Fer East. 229 Film: "The Iron Matress" with Alan Ladd and Vir-ginia Mayo. 450 The World of Gold. 560 Scotsport. 500 Butterye. 11:25 Prisoner: Cell Block H.

## GRANADA . 12:30 pm This is Your Right. 12:50 Asp Kee Hek. 2:56 Bullseys. 8:35 Coronation Street. 11:35 Prisoner: Cell Block H.

CENTRAL .

1239 per Citye's Countrywise, followed by Weather for Parmers. 2-50 The Love Bost. 12:36 per Lavery Weather for Parmers. 2:50 17th Seather for Parmers. 2:50 17th Seather for Parmers. 2:50 17th Seather for Seather Seather for Seather Seather

SCOTTISH 12:30 per Soutileh Supplement. 2:80 Land-mark. 2:38 The Prince and the Princes of Wates in the Fer East, 1:308 Film: "Whipeser' starring Spencer Tracy and Myrne Loy, 8:50 Scotsport. 6:60 The Blue and the Green. 11:36 The Education Debets. 11:230 per Film: "10 Pillington Place" with Richard Atlenborough, John Hurt and Judy Gesson.

12:30 pm Ferming Nows. 250 Fisherice News. 2:15 Gzs Honeybur's Magic Birtidaya, tollowed by Cartoon Time. 2:25 The Prisce and Princes of Wales in the Far East, 255 Bullseys. 6:35 The Life and Times of Grizzly Adants. 11:35 Crime Borry, followed by TIN Nows Hospithes, 12:36 am Guiz Night.

# 1 2:30 pm TVS News. 12:31 Agends. 12:35 TVS News and Weather, Including Ferming Weather. 2:30 Dog Days. 2:35 The Prince and Princess of Wales in the Far East. 2:35 Bullisoys. 11:35 Whithread Round the World Yacht Race Update. 11:35 The Human Factor. 12:15 am Film: Allstair Maclean's "Sear Island" with Vaneses Redgrave and Donald Sutherland.

TYNE TEES 12:30 pm Flevour of the Month. 2:55 Landmark. 2:36 Contraption Street (ormibus with don), 11:35 The Prince and Princess of Welse in the Fer East. 12:36 pm Inner Space (Portop area only) 2:36 TN News Headlined. 12:26 Quiz Night.

## ULSTER

1238 pm Preview, 256 The Prince and Princess of Wales in the Par East, 256 Malos in Pay - Working with Wood, 255 Bullsaye 855 Coronation Street, 11,86 Pricense; Cel Block H. YORKSHIRE 1225 pm Goals On Sunday. 255 Bull 536 ALF. 636 The Prince and Princ

## Wales in the Fer East, 11:26 Scru-

# BBC RADIO 2

BBC RADIO 2
739 on Roger Royle says 'Good Morning Sunday,' abt Metodies for you. 11:80 Department Carrington with your Radio 2 All-drae Greets. 250 per Gilbert and Sulfieser. The Mittado' conducted by Sir Charles Mackernes (229-96 David Mackle takes a look at this popular operate).
4:29 Sing Something Single. 5:59 Charles Loigh presents 'by Mackles Like. 252 Addio Loigh presents 'by Mackles Like. 252 Addio Loigh presents 'by Mackles Like. 252 Sunday Half Hour, 2:50 Your Hundrad Best Tunner with Kenneth Kendell. 10:55 Songs from the Shores. 18:45 Don Innes at the place. 11:55 Sones for Clayton with 'Sounds of Jazz.' 1:30 ass Colin Berry presents 'Mghride'. 3:55-4:50 A Little Night Music.

## BBC RADIO 3

BRC RADIO 3

7:00 sm By Appeintment. 7:30 News. 7:25
Heydn Originals. 3:20 News. 8:35 Your Concort Choice. 18:15 Nails Weekly (followed by
the Two-Minute Silence). 11:36 Bruckner:
Symphony No 7. BBC Priliterronals Oroheatra. 12:19 pm Poet of the Month-Coestaw
Miloze (mont).

12:15 Vermeer Quartet. Heydn (Quertet in
Batt Op 30 No 1), Bertok (Quertet No 6), 1:15
Mastic from Portingal: Haroki Lester (fortegaarc) plays sonatas by Carlox de Selstan.

1:25 Irina Artishpore (mezzo-egorane) with
heari lita (plano). 3:16 Chicago Symphony
Quettestra: 0 P 6 Bech (Bymphory In C. Wq
12/18 No 3), Monari (merunade in E fiel, K 375).
Strawinsky (Suite: Putoinstia), Heydn (Bymhouny No 63, Henr).

4:26 "The Ring" in Leipzig, Edward de
Soura reade the first of three exelections from
Angele Neumann's Personal Recollections of
Richard Wegner'. Bool Mozari? Chamber
Music with Plano, York Plano Tric: Plano
Trick: In E. K845: In G. K586: In 8 sat, K502;
gleis-8-6 interval reading), 8:78 By Brectr's
Trick: In E. K845: Ro, K586: In 8 sat, K502;
gleis-8-6 Witts traces the finentisting fortenes of Brectr's. Bedfiner Encemble. 7:36
Tokyo Philmannino Orchebetta, part 1: Rachmentinos Plano Concerto No 3, atth John
Lill), 7-45 Like the Watters. (Anthology of
poetry). 8:00 Tokyo PO, part 2: Bestitovan

## Symphony No 2, 'Eroica').

adS The American Fluids! Wissam Boun-tarry (fluid) and Flere Lane (pleno): Homerd Hanson (Searmade Op S). Vareuse (Penelty 21.5), Kent Konnan (Hight Scillery), Copland (Duo): \$25 Five Songs by Brian Ellem to poems by Rainshinskaya. Effzebedt Laurence (reazzo) with the SBC Symphony Orchestra. 1035 Third Ear. 19:39 The Shadow of War. Music and Peadings for Remembrance Sunday from Etos. College Chapet, 11:39 Strause; Metamorphosen. Berlin PO/Karajam, 12:98-12-08 are

# News.

RADIO 4 7:50 am Nove. 7:10 Sunday Papers. 7:15 On Your Farm. 7:46 Sunday, including 7:35 Westher; 8:00 News; 8:16 Sunday Papers. 8:35 Appeal by Dens Jud Denct on behelf of Ca61 House who provide hostets for home-less women, 8:55 Wonter. 2:50 News. 2:13 Sunday Papers.

915 Letter from America by Aliesir Cooke.
239 The Archerts. 19:35 Service of Remembrance from the Cendaph. 11:45 Each Day a
Day of Recommonses. The work of the Commonments War Graves Commission. 11:45
From the Front Line (s). 12:15 jits Desert
latend Discs (s). 12:35 the Desert

139 The World this Weekend. 1386 Shipping Forecast. 259 Gardeners' Question Time. 239 A Study in Scarlet by Sir Aribur Conan Doyle (e). College Copy (ap. 230 The Radio Programme. 450 Pitters of Society: James Maughtle assesses in walker of The Royal Opera House as a pitter of British is artistic world. 450 Treesure lehends. 500 News, Down Your Way. 540 Smith on the Soil. 5-50 Shipping Foreignt. 5:55 Weather. 259 News.

6:15 Foedback (Chris Duniday airs viewers' comments and suggestions short BEC programmes and policy). 6:39 Europhile. 7:39 News; Car's Whiskers (s). 7:36 Bookshell. 2009 Last Chance to See (s).

239 The Chinese Propie Stand Up, with Elizabeth Wright, 6:00 Never; Through Uhler Syes, 9:15 The Natural History Programme-sian Washier. 18:00 Never, 18:13 Az Odysey-Round Odysesus. 11:38 in Committee. 11:28 Seeds of Faith (c). 12:50-12:20 november. 11:28